

**FREEDOM OF INFORMATION
AND
PRIVACY ACTS**

**SUBJECT: BARKER/KARPIS GANG
BREMER KIDNAPPING**

FILE NUMBER: 7-576

SECTION : SUB 3 Section 5



FEDERAL BUREAU OF INVESTIGATION

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SUBJECT Barker/Karpis Gang (Bremer Kidnapping)
FILE NUMBER 7-576 Sub 3
SECTION NUMBER 5
SERIALS 86-104
TOTAL PAGES 135
PAGES RELEASED 135
PAGES WITHHELD 0
EXEMPTION(S) USED b2 b7d b7c

Federal Bureau of Investigation
United States Department of Justice

Post Office Box #1469,
Little Rock, Arkansas,
March 30th, 1937.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: BREKID

Dear Sir:

Please be advised that information has been furnished me by Special Agent D. P. Sullivan to the effect that on Monday, March 29th, 1937, at approximately 2:30 P. M., the telephone taps were again installed on the telephones of the Police Department at Hot Springs, Arkansas and Mayor Leo P. McLaughlin, the numbers of which are #123, #446 and #648.

Agent Sullivan informs me that these telephone taps were installed only after a thorough surveillance had been made from which he assured himself that this might be successfully accomplished.

RECORDED

&

Very truly yours, INDEXED.

Chapman Fletcher
CHAPMAN FLETCHER, APR 5 1937
Special Agent in Charge.

CF:DAN
AIR MAIL AND SPECIAL DELIVERY

cc: Mr. E. J. Connelley, Tacoma (Air Mail & Special Delivery)
Cincinnati

Mr. Nathan
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POST OFFICE BOX 812
CHICAGO, ILLINOIS

April 1, 1937

Special Agent in Charge,
Kansas City, Missouri.

PERSONAL AND CONFIDENTIAL
Re: BREKID

Dear Sir:

In connection with the above captioned case, one Russell Frank Thompson was interviewed at the Chicago Field Division on March 28, 1937 regarding his sale of numerous machine guns.

During this interview Thompson advised that he had been in the "con racket" selling eyeglasses, and had been arrested at Hannibal, St. Joseph and Kansas City, Missouri, all of which arrests Thompson claims were "shake-downs".

When questioned in this regard Thompson advised that he was engaged in the "con racket" with one Cawthon and one George Plummer, Cawthon in all probability being identical with the subject in the case entitled Robert Terrell Cawthon with aliases, Impersonation. Thompson advised that Cawthon was the "fix man" for the mob and in order for the "con men" to work in Kansas City, Missouri contact had to be made with Johnnie Baker who would see Prendergast at Hot Springs, Arkansas, arrangements having been made with the Chief of Police before the "con men" could operate.

The Bureau's Identification Division records disclose Thompson was arrested in St. Joseph, Missouri September 5, 1935 charged with obtaining money under false pretenses; no disposition. Thompson advised that at that time he had been approached by an Assistant States Attorney, and due to the fact that Thompson was "broke" he was allowed to square the charge with the woman from whom he had obtained certain money and in addition was alleged to have paid \$250.00. After his release Thompson left town.

The Bureau's records also indicate an arrest at Kansas City, Missouri August 22, 1935 on a charge of investigation; no disposition, and in this connection Thompson advised that this was an out and out "shake-down"; that Detective Cole and his partner who had made the arrest told Thompson he had to "put it on the line" before he could work in that town; that subsequently he had left \$20.00 with the operator of Miller's saloon at 19th and Main Streets on the north west corner, to be given to Detective Cole.

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With reference to the "fix" at Hot Springs, Thompson advised that he had been through Hot Springs approximately a year ago but had not worked the town, but during a discussion he had had with Cawthon regarding the possibility of working in Hot Springs Arkansas, Cawthon advised that the "fix" was with the Chief of Police, and indicated that this "fix" had been arranged through one Douglas Connor, a confidence man who is alleged to work the "payoff" all over the country.

The above is submitted for your information.

Very truly yours,

D. M. LADD,

Special Agent in Charge.

JMJ:JMS

CC Bureau
CC Little Rock

7-82

JOHN EDGAR HOOVER
DIRECTOR
EAT:CDW

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

March 22, 1937.

MEMORANDUM FOR THE DIRECTOR

Under date of February 25, 1937, Mrs. Scott Wood of Hot Springs, Arkansas, addressed a letter to the Bureau complaining of general lawless conditions in Hot Springs, involving income tax evasions, harboring of criminals, gambling and general corruption on the part of public officials, etc. She wanted to know if the Bureau couldn't do something to bring to justice those persons who are responsible for the conditions which exist there.

In a letter dated March 8, 1937, the Bureau acknowledged receipt of Mrs. Scott Wood's letter and advised her that the Special Agent in Charge of the Bureau's Little Rock Office would arrange for an Agent to interview her in the immediate future for the purpose of determining if she had any information indicating a violation within the investigative jurisdiction of the Bureau.

On March 14, 1937, the Bureau received a short note from Mrs. Wood enclosing an article which appeared in The Memphis Commercial Appeal for March 12, 1937, under a Little Rock date line, in which it is stated that "An agent of the FBI has been ordered to Hot Springs to conduct a secret investigation of conditions in the resort city * *". This article continues as follows: "According to information here, one of the Hot Springs residents responsible for the investigation by a House committee during the recent Legislature wrote J. Edgar Hoover, director of the FBI requesting that he send an agent to the spa. Mr. Hoover replied that he was assigning a man and that he would pay special attention to the income tax reports of certain city officials and so-called "big shots" in the gambling world, in an effort to discover any possible law violations." Mrs. Wood says in her letter that she did not give this information to the newspapers, but that if the Bureau thought it good strategy to give out information of this nature, it would be all right with her. This letter was acknowledged by the Bureau under date of March 19, 1937 with a statement to the effect that this newspaper article is without foundation and fact, since Special Agents of the FBI do not conduct investigations into matters involving income tax frauds, such cases being handled by the Internal Revenue Bureau of the Treasury Department.

RECORDED & INDEXED

Before receiving the above letter, Mrs. Wood addressed another letter to the Bureau under date of March 16, 1937, with further reference to this newspaper clipping. She says that her husband recently encountered Mr. R. W. Sisson, Little Rock correspondent for the Memphis Commercial Appeal

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11 MAR 25 1965

I want to find out how the fact of the communication from Mrs. Wood with the Bureau became known to the press. She denies she gave it & we ought to make certain no one else gave it.

*memo
& Dir
3/29
HOLSON
TAMM
FOUR
ONE*

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and the following conversation, in substance, took place:

Mr. Sisson: Well, Mr. Wood, did you see my story about Hot Springs in our paper a few days ago. (This is the clipping above mentioned).

Mr. Wood: Yes, I did, but I noticed that the following day the Arkansas Gazette denied the story, saying they had investigated it and found that Mr. Hoover's department has nothing to do with income taxes, and that investigation of those are handled by another department.

Mr. Sisson: Sure, I saw that, but you know why they did that. The Gazette tried to get some information on the story and couldn't, and that made them sore. You see, I know all about your wife writing that letter to Mr. Hoover, and just what Mr. Hoover wrote her, and I know who the Agent is that he told her he was going to send. The Gazette wanted this news awfully bad, but they couldn't get it.

Mrs. Wood in her letter is, of course, very indignant because she has arrived at the conclusion that the Bureau gave this information. She says that in the first place, it would appear that we wouldn't want to give out information which is given to us in confidence, and that in the second place, should we give out the information, we certainly should give it to all of the newspapers. She continues that the interview promised her in the Bureau's letter of March 8, 1937, has not materialized, and she has not seen an Agent as yet.

On Saturday afternoon, March 20, 1937, I talked with Mr. Calhoun at the Little Rock Field Division, and told him to get in touch with Mr. Fletcher and have him interview, or have someone interview, this woman at once, obtaining from her any and all information she has relating to violations of Federal law within the investigative jurisdiction of the Bureau. I told him that the position of the Bureau as respects allegations of violations of Federal laws which are not within our jurisdiction should be clearly explained. I further told Mr. Calhoun that Mrs. Wood should be informed Mr. Hoover's office in Washington has called about this matter, and that Mr. Hoover wanted her to be advised the Bureau did not disclose this information to any person whatsoever, including any newspaper man or anyone else.

This morning, Mr. Fletcher telephoned me from the Little Rock Office and said that he had written the Bureau about this situation, and the letter should be in here this morning. He said that he explained in his letter that Mrs. Scott Wood is the wife of Mr. Scott Wood, who is the person largely responsible for the legislative investigation which is in progress in Hot Springs at this time.

3/22/37

He said that in view of this tieup, he had suggested in his letter that it might not be a good idea to interview this woman at this time for the reason that a great deal of publicity might ename therefrom. He said that he believes this woman will want the Bureau to come over there and make an open investigation to influence the election which is to be held there early in April.

I told Mr. Fletcher that in the first place, we won't make any inquiry unless she has information indicating a Federal violation within our jurisdiction; that if she writes the Bureau demanding to be interviewed stating that she has such information, we would certainly be drawing more suspicion to ourselves by not interviewing her than we would if we did interview her and explain that there is nothing we can do. I told Mr. Fletcher that the thing is to do in this situation is to have an Agent walk right in there and interview this woman, ascertain what the facts are in her possession, and if there is no violation within our jurisdiction, so inform her and tell her there is no action we can take. As to any publicity, I told Mr. Fletcher that it has been in all of the papers down there that we are in Hot Springs conducting an investigation at this time, and it would appear there is little or nothing to be added to that.

I told Mr. Fletcher that he should make absolutely no attempt to secrete the fact that this interview is being conducted; that some Agent from the regular staff of Agents should conduct the interview, and in a manner in which it would be conducted under usual and ordinary circumstances. I told Mr. Fletcher that if there is any inquiry about this situation, we can say that we interviewed this woman as a complainant just as we interview all complainants. I can't conceive of any information this woman has which would indicate a Bureau violation, and I told Fletcher that the exact position of the Bureau in so far as jurisdiction should be carefully explained to her so that there will be no question.

Respectfully,

EAT
E. A. TAMM.

JOHN EDGAR HOOVER
DIRECTOR

EAT:CDW

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

March 29, 1937.

Time - 11:35 A.M.

MEMORANDUM FOR THE DIRECTOR

I telephoned SAC Fletcher at the Little Rock Office and inquired as to what had developed as a result of the interview with Mrs. Scott Wood at Hot Springs, Arkansas, who has written the Bureau two or three letters asking to be interviewed.

Mr. Fletcher said that he has written the Bureau a complete letter reflecting the results of this interview. Mrs. Wood, he said, did not have any information indicating any violation of Federal law within the investigative jurisdiction of the Bureau. She had some alleged information concerning violations of the Income Tax Laws, and complained about general lawlessness, but other than that, nothing developed as a result of the interview.

During the course of the interview, Mr. Wood came in. He said he did not know his wife had written the Director, but that in any event, she should not have done it because she did not have any information based on fact in which the FBI would be interested.

Mr. Fletcher said that Mrs. Wood had told Mr. Huff, the U. S. Commissioner at Hot Springs about writing the Bureau and about the reply which she received to the effect that an Agent would call upon her for an interview, and Mr. Huff evidently told other people about it, and Mrs. Wood undoubtedly told others about it. It was probably through this method that the information relative to this situation got into the newspapers. Incidentally, Mr. Wood informed the Agent that the newspaper reporter did not tell him that he knew the identity of the Agent who was going to call on Mrs. Wood, as erroneously reported to the Bureau in a letter from Mrs. Wood.

Respectfully,

EAT
E. A. TAMM.

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FEDERAL BUREAU OF INVESTIGATION
APR 6 1937
TOLSON
ONE
FILE

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

LMC:MFW

April 6, 1937

MEMORANDUM FOR MR. TAMM

The following is a resume of the pertinent information developed through the telephone taps conducted in the Brekid matter, such information being reflected in the report of Special Agent B. L. Damron, March 16, 1937, at Little Rock, Arkansas:

"On March 1, 1937, [REDACTED] called at the Little Rock Division, upon request, and advised Special Agent in Charge Fletcher that Mayor Leo McLaughlin is financially interested in two houses of prostitution in Hot Springs. These two houses were alleged to be - one operated by Lillian Brown, alias Lillian Pearrow at 105 Prospect, and the other being operated by Ruth Johnson, alias Ruth Jones, and located at 350 Malvern Avenue.

"The address of 105 Prospect, and the name of Lillian Pearrow has appeared in the logs previous to this date, and indicates that she is operating a house of prostitution, and is known to the police department. Special Agents D. P. Sullivan and J. M. Jones, made a survey of this address, and Inspector Connelley and the Bureau advised. The advisability of establishing a tap on this telephone is now under consideration.

"With reference to the address of 350 Malvern Avenue and Ruth Johnson alias Ruth Jones, neither the address nor name has appeared among the logs submitted in this case. Reporting agent ascertained that this address is occupied by the Peoples Laundry, but opposite this building was the Empire Rooms. Thereafter Special Agent D. P. Sullivan ascertained that the Empire Rooms were operated by Ruth Jones, but there was no telephone at this address. It also appeared that the Empire Rooms is located in the negro section, and would be a low class house. The Bureau and Inspector Connelley were advised of these facts.

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April 6, 1937

"On March 4, 1937 the telephone company employees completed their repair work on Cedar Street and at 6:07 P. M. the tap on the residence telephone of W. S. Jacobs (unlisted number 2115) was reestablished by Special Agent J. M. Jones, and the plant maintained by Special Agents Jones and B. M. Suttler. ***

"Re: JOHN DICKSON MATTER

On March 3, 1937 Chief of Detectives Herbert Akers telephoned, reporting agent, and advised that Alfred "Pug" Dickson was released to the Sheriff at Benton, Arkansas, for prosecution as to the theft of a Ford truck. Newspaper releases for March 5, 1937 reported that Dickson was found guilty, and was sentenced to serve one year in the State Penitentiary. The newspapers quoted Floyd Huff, U. S. Commissioner at Hot Springs and attorney for the defense, as stating that, 'John Dickson was killed because he had committed the "unpardonable crime of robbing a Hot Springs gambling joint" and that "no crime could so enrage the Hot Springs police as that".

"Re: ARREST AND RELEASE OF EARL KING

At approximately eleven o'clock on the morning of March 3, 1937, Chief of Detectives Herbert Akers and Day Captain Jerry "Swede" Watkins raided the residence of Mrs. Claire Sims at 211 Woodbine St., in Hot Springs, and arrested Earl King, Andrew "Tex" Anderson, and another man whose identity is unknown. These three men were arrested for operating a race horse wire service of some kind. The names or tips being transmitted from California. The three men were arrested and taken to the city jail. John Condon and Frank McCarthy, who are connected with the Oak-lawn Park track in some unknown capacity there joined Akers at the Police Station. Soon thereafter Earl King made a long distance telephone call to Dave Schmidman in Los Angeles, California, and told him that it would take \$500.00 to get him out of jail and 'square it with them.' Dave promised to send the money by Western Union.

April 6, 1937

"Thereafter, and during the afternoon, King attended the races or was not in jail when long distance telephone calls for him were coming in from Los Angeles, and at approximately six o'clock King, with the assistance of Akers, obtained \$500.00 from the Western Union. King, apparently, was released on the night of March 3, 1937, but Anderson and his companion were held in jail. King apparently disappeared for several days, and 'run out' on Anderson and his companion, who were convicted on some charge, and sentenced to serve 30 days in jail, each. On the night of March 5, 1937, King called Captain Watkins and in strong language told him to spring the 'two kids' and to tell Akers he was willing to go 'go along' with him, but 'what the Hell - I've got to get some results.' King apparently remained in hiding at or near Benton, Arkansas, during which time the brother of Andrew Anderson made strenuous efforts to have his brother released and out of town.***

"The following conversation is further evidence as to the traffic in firearms by the police. "Curley" apparently refers to Detective Curley Evans:
12:05 P.M., outgoing on No. 123 W.T.M.
"Curley" asked Akers what he did about that pistol. Akers said he sold it.***

"The following conversations are self-explanatory:

6:55 P.M., incoming on No. 123 J.M.J.

Man asking if the 1928 Buick Coach reported stolen last night had been recovered.
Jailor: No information yet.
Man: Would you mind explaining what that detective meant about there would have to be a reward posted before the detective department would start looking for it?
Jailor: You will have to speak to Mr. Akers about that, he's in charge of that work.

April 6, 1937

9:31 P.M., incoming on No. 446

J.M.J.

Man asked for Rogers - reported theft last night about 11:00 P.M. of a 1928 Buick, Iowa 1936 license #77-25488 - advised Rogers - 'This fellow will kick in if you get the car back.

Rogers: OK.***

"The following conversation between W. S. Jacobs and Mayor McLaughlin is self-explanatory:

11:00 A.M., outgoing on No. 648

B.M.S.

Mayor 2115 (W. S. Jacobs' unlisted phone)

Jacobs: Hello

Mayor: Have anybody out at the Club last night?

Jacobs: When I left at 7 o'clock there was 40 or 50 cars in the yard, the Governor's secretary and a party were there ordering dinner.

Mayor: Did they pay for it?

Jacobs: I don't know, I left a check with Otho and left it up to him, told him if they didn't offer to it was all right. Track was short of folks, wasn't it?

Mayor: Yeah, folks and money too.

Jacobs: Maybe more will come in Saturday.

Mayor: They've put in another bill against us, I think it was put in from the other side of the State. I think I'll be able to block it, just got a few days now, and I think I can keep it pushed around 'til it's over.

Jacobs: Yeah, two days this week and all next week.

Mayor: I'll show you the bill when I see you.

Jacobs: All rightie.

(The Club apparently refers to the Belvedere Club. The bill referred to by McLaughlin appears to be the election bill previously mentioned.)***

April 6, 1937

"March 3, 1937

The following conversation indicates the practice of Chief Akers in talking to persons in his automobile. It will also be noted that the Mayor fixed a meeting place which is in the business district and not near his residence:

8:07 A.M., incoming on No. 123

B.M.S.

Mayor: Let me speak to Dutch Akers.
Corrington: Just a minute.
Akers: Hello
Mayor: Busy?
Akers: No.
Mayor: Drive on up and park on the other side of the street from Bath House Row. I'll sit in the car with you, I wanna talk to you about something.
Akers: Be right up.

The following conversation, noted in the logs as a questionable transaction, probably originated with Gus Maile, (Not Bailey), Manager of the General Exchange Insurance Company at Little Rock:

10:19 A.M., outgoing on #23

B.M.S.

Dutch Akers got Operator 12, Little Rock, re: to his call.
Bailey: Dutch, this is Gus Bailey.
Dutch: Hello, Gus.
Bailey: I've got a check for you in that Wright case at Holland's Garage, made payable to you. Remember?
Dutch: Yeah, just mail it.
Bailey: Well, I would have done that, but you all have been having so much trouble over there lately.
Dutch: That didn't affect me, I wasn't mixed up in it.
Bailey: Good, the check is for \$25.00, dated Feb. 13th, I'll mail it to Police Headquarters.
Dutch: Thanks, Gus.

NOTE: This transaction sounds as though it may be questionable.

April 6, 1937

The following conversation is self-explanatory:

10:30 A. M., incoming on No. 123

B.M.S.

Mrs. Dudley: Mr. Akers, please.
Akers: All right.
Mrs. Dudley: Mr. Akers, this is Mrs. Dudley.
Akers: Who?
Mrs. Dudley: You remember Dr. Dudley, don't you?
Akers: Sure.
Mrs. Dudley: Well, this is Mrs. Dudley. I've had my upper teeth pulled, that's why you can't understand me. Mr. Akers, I want to buy something from you. I don't want to mention it on the phone. Will you come by?
Akers: Go ahead and tell me, it's all right.
Mrs. Dudley: Well, you got any diamonds?
Akers: Got some small ones.
Mrs. Dudley: How about some one or two carats?
Akers: I tell you, I'll look around and see what I can pick up. I'll let you know.
Mrs. Dudley: I was telling Mr. Scott yesterday I wanted to see you, you're not afraid of me are you?
Akers: Oh, for Christ's sake no.
Mrs. Dudley: Thank you, Mr. Akers.

The following conversations indicate that the 'administration' at Hot Springs is now working with the State administration and Governor Bailey:

(Long distance operator announced a call for Mayor McLaughlin from Little Rock)

Mayor: Hello.
Man: Hello, Leo, this is Grover J --(indistinct) (probably Grover Jarnigan, Bank Commissioner).
Mayor: Why, hello Grover.
Man: Say, Leo, I want you to do something for me.
Mayor: Sure will.
Man: They are bringing up a bill here - house bill 521 - by Boyer - about assuming the debts on the toll bridges.
Mayor: House bill 521.
Man: 521 by Boyer.
Mayor: Alright.
Man: We want you to kill it. (Explaining it was adverse to the Refunding Bill)

April 6, 1937

Mayor: Sure will.
Man: Yes. Want you to call your two representatives and have them kill it.
Mayor: I'll do it. I'll do it.
Man: We'll sure appreciate it.
Mayor: What's the status of that bill now?
Man: They are trying to get it up in the house this morning.
Mayor: Alright, we'll do it.
Man: I am sorry that I haven't been over to your races yet.
Mayor: Yes. I had the pleasure of meeting the "Boss" wife yesterday. Their box was next to mine. I gave them two losers though, so I guess I am in bad up there again.

10:15 A.M., incoming on No. 648

W.T.M.

(Operator announced completion of call to Mr. Maner in Little Rock.)
Mayor: Hello, Earnest, this is Leo. You know that house bill 521, by Boyer?
Maner: Well, I dunno.
Mayor: Well, they are trying to get it up in the house this morning, aren't they?
Maner: No, they have a Senate Bill up for amendment about the County examiners.
Mayor: Well, I got a call about this bill from headquarters, you understand what I mean?
Maner: Yes.
Mayor: It seems that they are trying to kill this bill because it interferes in some way with that refund bill - something about the toll bridge.
Maner: Yes. What is that number?
Mayor: Yes, get a pencil (pause) it is House Bill #521 by Boyer. Now, not that we give a damn about this bill but the Governor and them are against it and here we can go with them. You see?
Maner: Yes - vote against it.
Mayor: Yes - vote against it. See Jim and tell him.

April 6, 1937

10:17 A. M., incoming on No. 648

W.T.M.

(Call to Rep. Campbell connected at Little Rock.)

Mayor: Hello, Jim, just got a call from other there a while ago about that house bill #521 - this is Leo.

Campbell: Alright.

Mayor: Seems like the "Big Fellow" (probably Governor Carl Bailey) and the others down stairs are against it.

Campbell: Yes, that must be that thing of Harris' about those bridges.

Mayor: Well, they are trying to get in the house this morning - it is by Boyer, they told me - they want to kill it - I dunno, they claim that it will interfere with that refund bill - something about the toll bridge.

Campbell: Well, now, I don't know - if it is that thing I am thinking about, I am obligated to those fellows from Jefferson County. I am traded out with them - on that bill of ours - 421.

Mayor: Uh huh.

Campbell: Anyway I don't think that thing will pass. They've tried it time and again.

Mayor: Well, you see the Governor and them are against it and we can go with them.

Campbell: Well I don't know whether we are talking about the same thing. I'd better look it up.

Mayor: This is by Boyer they told me.

Campbell: Well, I'll look into it and see what I can do.

Mayor: Well, the administration is against it - just let Earnest go one way and you go the other, I guess. ***

"The following conversation appears of interest, and is being made the subject matter of a separate file in the Little Rock Field Division. It may be stated that C. Floyd "Babe" Huff is United States Commissioner at Hot Springs, and is the subject of an administration investigation at the present time, the file being entitled "C. Floyd Huff, United States Commissioner, Hot Springs, Arkansas."

April 6, 1937

11:44 A.M. outgoing on No. 123

W.T.M.

Akers placed long distance call to Sheriff's Office at Benton, and when Sheriff could not be located he called the State Prosecutor at Malvern, whom he addressed as "Bill". Akers advised that "Pug" Dixon would not be returned to Hot Springs for prosecution and that he could be sent on to Tucker Farm. During the conversation the prosecutor said he brought out on the witness stand that "Babe" Huff harbored "Pug" Dickson in Little Rock while he was being sought in connection with his crime. Akers appeared highly aroused, and urged that the Prosecutor address a letter to the Department of Justice pointing out that Huff harbored a Government fugitive.***

"The following conversation between Mayor McLaughlin and W. S. Jacobs, appears of interest:

8:35 P.M., incoming on No. 2115

F.M.S

Jacobs: Hello.
Mayor: Whatdya know?
Jacobs: What's that?
Mayor: Lots of people in town today.
Jacobs: Hello there, I didn't catch your voice for a minute. Yeah, plenty of people in town. I was just getting ready to call the Southern when your call came in, to tell 'em not to take any more reservations for Belvedere, it's full.
Mayor: That's fine. Lot of our friends in here tonight.
Jake: Yeah?
Mayor: Yeah: Saw Bob Crisp today, he told me a bill got lost today in the house. Funny. He saw the bill before it went up. Seems that Tackett (probably Taggart) who lives here and is a brother of Tackett over there and he sent the bill to his brother and his brother sent it back. I believe it was an election bill presented by that fellow Gavins. Funny how a bill could get lost in the House like that.

April 6, 1937

Jacobs: Jim told me today Tackett was going to run against you.
Mayor: Yeah, he qualified today.
Jacobs: You know Huff, he told Wheatley that there won't be any gambling around here if McLaughlin is elected. (laughs)
Mayor: (laughs) Well there sure won't be any if Tackett is elected.
Jacobs: You say he qualified today?
Mayor: Yes, today was the last day. That's all right tho, it's perfect. I'm not worried at all.
Jake: I guess it ain't hardly safe to sneak around a little yet. (Gambling)
Mayor: No, I think he wants you to stay quiet a few more days anyhow.
Jacobs: Yeah, all right.
Mayor: I'll be seeing you.

"(Bob Crisp is a State Representative from Pulaski County, is personally known to reporting agent, and has an office in the Rector Building. He is an attorney and close friend of former Governor J. M. Futrell. Tackett is Elmer S. Tackett, Attorney of Hot Springs, and candidate for Mayor in the city election to be held at Hot Springs on April 6th. He is opposing Mayor McLaughlin and the "administration." His brother is Representative Tackett of Pike County, a friend of the administration. The election bill apparently refers to the bill mentioned by McLaughlin in previous conversations. Huff refers to U. S. Commissioner C. Floyd Huff, who is opposing the administration and cooperating with Scott Wood in fighting the administration. Mr. Huff called at the Little Rock Division on March 8, 1937, and during his visit stated that several people had hoped the Bureau would take some action in Hot Springs with reference to harboring Alvin Karpis, as Karpis stayed in Hot Springs so long that surely someone gave him protection. Wheatley apparently refers to Mill Wheatley, who owns much real estate in Hot Springs and is friendly to the administration. The expression by McLaughlin of 'he wants you to stay quiet, etc.' apparently refers to Circuit Judge Earl Witt, and also refers to the opening of the gambling houses. It appears that public gambling is being held in abeyance pending the adjournment of the present legislature, as shown by the following conversation between Jacobs and "Tink" Young of the Ohio Club:

April 6, 1937

9:14 P. M., outgoing on No. 2115

B.M.S.

Jacobs: 210 (Ohio Cigar Store)
Man: Hello.
Jacobs: Is Mr. Young there?
Young: Hello.
Jacobs: Well, have you got a pretty good crowd?
Young: Yes, fair, the racing didn't get paid
off today, waiting 'till Monday. If they
had we would have had a big night sho nuff.
Jacobs: All reservations are taken at Belvedere.***

"The following conversation is self-explanatory. Al and Lillian
Pearrow operate a house of prostitution at 105 Prospect Street:

12:15 P. M., outgoing on No. 123

W.T.M.

789 (A. J. Pearrow, 105 Prospect)
Swede (Watkins) called and said to Lillian: I asked them boys
about what Al wanted me to find out for him. Tell
him I'll see him about it.
Lillian: He is here now.
Watkins: Which 'un was it that did it?
Lillian: He said Davis.
Watkins: Well, I talked to the man what done it and he swore
he knew nothing about it.
Al: Swede, I'll be over there - I'll see you."

The major portion of the conversation reflected by this report
shows general activities on the part of the city administration at Hot
Springs, Arkansas in connection with their endeavors to defeat certain
bills before the state legislature which is now in session. However,
the conversations quoted are the only ones reflecting any definite
incidents of this type.

Respectfully,

L. M. Chipman
L. M. Chipman.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT Cincinnati, Ohio.

L.R. FILE NO. 7-2

REPORT MADE AT Little Rock, Arkansas	DATE WHEN MADE 4/6/37	PERIOD FOR WHICH MADE 3/21-27/37	REPORT MADE BY JOHN L. MADALA
TITLE GEORGE TEMINEY; DR. JOSEPH P. MORAN, with aliases - FUGITIVE, I. O. No. 1232; ET AL; EDWARD GEORGE BREMER - Victim.			CHARACTER OF CASE KIDNAPING; HARBORING OF FUGITIVES; OBSTRUCTION OF JUSTICE; NATIONAL FIREARMS ACT

SYNOPSIS OF FACTS:

Conversations of interest overheard on taps on police, Mayor's and W. S. Jacobs' telephones at Hot Springs for period of March 21 to 27, 1937, inclusive, set forth. Logs for this period reveal that Mayor McLaughlin was successful through the medium of C. E. Palmer, local publisher, to secure unofficial sanction from Gov. Carl E. Bailey to re-open gambling in Hot Springs on Mar. 19, 1937. Gov. Bailey issued ultimatum on Mar. 21, 1937 that all gambling in Arkansas must stop, and thereafter upon permission of Mayor McLaughlin, the enterprises of W. S. Jacobs have been sneaking horse racing bets at the Southern and Kentucky Clubs, Hot Springs. Logs also disclose that employees of W. S. Jacobs are actively participating in the campaign of Mayor Leo P. McLaughlin in the coming city election on April 6, 1937. Racing season in Hot Springs terminates on April 3, 1937.

- P -

REFERENCE:

Report of Special Agent John L. Madala, dated at Little Rock, Ark., March 27, 1937.

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11 MAR 25 1965

APPROVED AND FORWARDED <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES			
COPIES OF THIS REPORT 3- Bureau 2- Cincinnati 1- Cleveland 1- Chicago 1- Mr. E. J. Connelley 4- Little Rock	7	576-2	91	APR 10 1937
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make same 4/16/37 MC

The taps on telephones 123, 446 and 648, listed to the City Jail, Chief of Police, and Mayor's office respectively, were disconnected at 11:35 A.M., March 25, 1937, after the following conversation was overheard by Special Agent W. T. Morton:

10:46 A.M., March 25, 1937

Outgoing on No. 648

W.T.M.

Mayor: Asked operator to connect him with Mr. Shepherd of the Manager's office of the telephone company.
(Conversation, in substance, is as follows:)

Mayor: Shep, this is Leo, if you will look there in your office you will find that the lines out of my office are being tampered with.

Shepherd: Well, Leo, what makes you think so?

Mayor: It is that every time I take up my receiver on this phone I hear clicking noises. I have also heard some extracts of some telephone conversations of mine repeated around. I know nobody could get hold of that unless they were listening in.

Shepherd: You mean you don't feel that you can talk any business over that phone -- some of it is leaking out?

Mayor: Well, I don't do any particular business over this phone. I don't have any secrets particularly. It is just that I don't have the assurance that I can pick up this telephone and carry on a conversation without being overheard.

Shepherd: Well, that clicking and some of your secrets leaking out is what --

Mayor: No, I don't have any secrets. I just don't want to have anyone listening in or tampering with the lines of this phone. I might want to talk to a 'gal' over this phone (laughs) and I don't want anyone to hear me but her.

Shepherd: All right Leo, I'll ---

Mayor: I don't know who it is or what it is they are after hearing - there's nothing of importance going on over this line. But I want you to personally look into it and see about it. I think you will find it there in your office.

Shepherd: All right Leo, I'll personally look into it and check up on your line right away.

Mayor: Say! - you are going to vote aren't you?

Shepherd: Sure, when is it?

Mayor: April 6th.

Shepherd: I didn't know that it was that near, though.
Mayor: Yes, April 6th - be sure and vote.

NOTE: With respect to the above call, this agent heard nothing during the period agent was on watch on this telephone out of the ordinary indicating that any other person was on the line. No clicking sounds were heard. No more conversations were heard over this telephone after the above call.

The Little Rock Field Division was promptly advised of the discontinuance of the above described taps, and immediately thereafter the Bureau was so informed by telegraph.

On March 25, 1937, and every day thereafter, to the morning of March 29, 1937, when the taps were re-established, a periodic surveillance was made of the master telephone box and the aerial boxes which serve the City Hall's telephone service, but nothing was observed that indicated the local telephone company was checking the wires to locate a tap.

The telephone tap on No. 2115, listed to W. S. Jacobs, 116 Cedar Street, was not removed and remained in operation during the entire period of this report.

The plant at 207 Laurel Avenue is being maintained by Special Agents H. A. Snow, W. T. Morton, and R. H. Laughlin. The plant at 205 Cedar Street is manned by Special Agents D. P. Sullivan, B. M. Suttler, and the reporting agent.

The following conversations of interest are taken from the logs submitted for the period of March 21 to March 27, 1937, inclusive:

The following telephone conversation refers to a news article which appeared in the Little Rock Democrat paper on March 21, 1937 relative to the re-opening of gambling operations in Hot Springs, Arkansas:

10:10 A.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Roscoe: How you feeling?
Jacobs: All right.
Roscoe: Democrat's got a nice picture on the front page this morning. Have you seen it?
Jacobs: Yeah, I noticed it they were calling around to the Belvedere, Ohio and Southern last night.
Roscoe: Well, maybe it'll be OK.
Jacobs: Yeah, maybe we can overcome it.

Roscoe: How's the poker game coming?
Jacobs: It's still going on.
Roscoe: Well I'll see you.
Jake: Yeah, I'll see you.

Inasmuch as the above referred to news article appears to be the basis for the ultimatum issued by Governor Carl E. Bailey on the following day (3/22/37) that "Open Gambling in Hot Springs Must Stop", this article is being quoted below as it appears to be of vital interest to this investigation. The article in question reads as follows:

Dice Click, Roulette Wheels
Spin and Big Party Resumes
Activities at Hot Springs

Dice were clicking, the roulette wheels spinning and everything was o. k. at Hot Springs' gambling casinos Saturday night, the activity having been resumed after a month's "breathing spell," which followed spectacular raids by state officers during the recent legislative sessions.

The word went around that folks who had something left when they left the race track might drop in the Ohio Club, the Southern Grill or the fashionable Belvedere, which is located some five miles out of Hot Springs on the Little Rock highway, and try their luck.

Under an unofficial agreement with state officials, the illegal bookmaking on horse races isn't being permitted. There is a reason. When the books aren't in operation downtown, the folks who want to make horse race bets have to go the the Oaklawn track to do their betting. And when they do, the state gets four per cent of what they bet. The track, of course, also profits to the extent of 10 per cent.

As a result of an edict from Mayor McLaughlin, presumably issued on request of state officials, the state is reaping a larger crop of racing dollars. The state didn't get anything from the bookies, and the city only perhaps an occasional license fee fine.

Whether the high state officials have given tacit permission for resumption of gambling activities, could not be learned. There are numerous state rangers and other state officials at Hot Springs, but whether they intended to again raid gambling centers could not be learned.

According to word received from Hot Springs, gambling house operators got word they could reopen "because of an agreement with Little Rock." Those responsible for the statement declined to elaborate.

It also was reported that following the closing of the races at Oaklawn April 3, the bookmaking activities also will be permitted to resume.

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The following conversation between Mayor Leo P. McLaughlin and W. S. Jacobs reveals the Mayor's participation in the operation of illegal gambling in Hot Springs:

12:15 P.M., March 21, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Mayor: What's going on?
Jacobs: Did you see the Gazette this morning - the papers are talking nicely about you.
Mayor: Yeah, it's a combination election story. Huff's report and Cambell.
Jacobs: I talked with Ebel this morning about it - he can't understand it.
Mayor: Thought maybe Sunday night - better than Sunday afternoon. What do you think?
Jacobs: That's all right, but I figured only one or two persons at the Ohio to take care of Tom Ray and those fellows. I have no crew for the Southern or Ohio. They all worked last night. We had a good night last night - \$4500 at both places.
Mayor: That's all right - I didn't know.
Jacobs: Had a poker game at the Southern all night - I guess it's still going on. We are short of tools - only got four wheels in both places - couldn't take care of everyone. Had a big handle and general business was fine. Everyone was pleased and happy.
Mayor: I think we better have that ready tomorrow - you know to take care of those fellows.
Jacobs: Yeah. I'll have it ready for you tonight.
Mayor: Well, I'll see you.

The foregoing conversation, particularly the underscored portions thereof, and the following calls, appear to be evidence of a "pay-off" through Mayor McLaughlin by W. S. Jacobs to C. E. Palmer, or through him to some high State official, for the unofficial sanction to resume gambling in Hot Springs:

7:18 P.M., March 21, 1937

Outgoing on No. 2115

B.M.S.

Leo: 3700
Man: Sentinel-Record.

Leo: Is John Scutter on desk?
 Man: No, Roy's here.
 Roy: Hello.
 Leo: Roy, Leo. Is Mr. Palmer in town?
 Roy: No, be in tomorrow night, try his residence in
 Texarkana, listed as C. E. Palmer.

7:20 P.M., March 21, 1937 Outgoing on No. 2115 B.M.S.

Leo: Leo called Long Distance.
 Operator, 2115, Leo McLaughlin, calling C. E.
 Palmer at Texarkana.

7:25 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

L. D. Opr. Mr. McLaughlin, I've tried his residence and newspaper,
 but have failed to locate Mr. Palmer. Shall I
 keep trying?
 Leo: No, I'll call you in an hour. I won't be at this number.
 Operator: All right, just ask for Operator 4.

7:45 P.M., March 21, 1937 Incoming on No. 2115 4 B.M.S.

Tink Young called Jacobs and discussed the distri-
 bution of the wheels at the various clubs when
 they arrive from Detroit Wednesday, then the
 following conversation took place.
 Jacobs: They'll need 400 tonight. (very low)
 Young: I'll send it up. (also low)
 Jacobs: Might need another hundred or so tomorrow night.
 Young: OK.
 Jacobs: How'd you do today?
 Young: Made 4100
 Jacobs: All paper?
 Young: No, only 2000 of it - it's good.
 Jacobs: Good.

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The following conversation between Mayor Leo P. McLaughlin and John Bransford, Designate Speaker of the House of Representatives, is self-explanatory, and evidences the fact that Bransford is one of McLaughlin's many intermediaries in his efforts to reach the Governor:

12:16 P.M., March 21, 1937

Outgoing on No. 648

W.T.M.

Mayor placed long distance call to John Bransford, Lonoke, Ark.

Mayor: John, this is Leo. What are you doing, eating your dinner?

Bransford: Yes. Just got through. Say, I saw all that publicity in the papers you got (laughs).

Mayor: Yes. You know we had more people in town last night than I have ever seen before. I tell you I never saw such a crowd. There are only two places running - the Southern and Belvedere. We are cutting out that small stuff. That slimey, petty, slot machine. We are just not going to stand for that stuff - none of those machines, etc. Now the two newspapers and the people are backing us on the two places running now - and we will keep that backing as long as we hold to that and not have any of that small stuff. I knew where you were going tomorrow so I thought I would call you.

Bransford: Yes.

Mayor: I just thought I would call you and you would go over there and kind of give the idea that we got the backing for those two places - they will not kick - the newspapers and people as long as we have none of that other stuff. You see what I mean? I thought I'd give you that idea. He ought to know that anything politically wanted, why, we would just dump it in his lap. You know that.

Bransford: Yes, I know.

Mayor: And the best thing about it is it won't cost him anything. He won't have to buy up any ballot boxes. (Both laugh)

Bransford: Well, I'll talk to Carl and get his reaction. I understand.

(Mayor then exchanges racing talk and states that they are being attended by the largest crowds in history - and stresses the point that the attendants want to go to high class places as the Southern and Belvedere after the races.)

Bransford: Well, I'll get Carl's reaction and let you know.

I'll call Hendrix and get him to be sure and be there.

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The following related conversations reveal Mayor McLaughlin's dictatorial control and influence over the Sheriff and Circuit Judge of Garland County, Hot Springs, Arkansas, and further reveals that the Mayor does not only condone illegal gambling in his town, but also sees that the owner of these places, W. S. Jacobs, is protected from fines and arrests:

8:25 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Tink: Tink Young calling in, breathless.
Mr. Jacobs, Tink Young. Marion Anderson just came up, said Witt had a special delivery letter at his home, that there was a crap game going on upstairs. I told him there was so he didn't look around. What must I do?
Jacobs: I'll try to connect.

8:27 P.M., March 21, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: Leo there?
Will: Just a minute, this is Will.
Jacobs: Watzisname just called at said Marion came up, said Witt sent him, he talked to Tink, said he was told to look around but he didn't go upstairs.
Leo: Where's Marion? Get hold of him and ask him to call me and I'll tell him how things stand.
Jake: All right.

8:30 P.M., March 21, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 210 (Ohio)
Tink: Hello.
Jacobs: Is Marion there?
Tink: No, he's gone down the street.
Jacobs: He said to get hold of Marion.
Tink: I'll try to find him.

8:32 P.M., March 21, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 613 (Sheriff's Office)
Man: Sheriff's Office.
Jacobs: Is Marion there?
Man: No, he's not in.

8:40 P.M., March 21, 1937

Incoming on No. 2115

B.M.S.

Tink: I got Marion, he's coming up to see you now.
Jacobs: Down there you say?
Tink: No, your house.
Jacobs: All rightie.

8:45 A.M., March 21, 1937

Outgoing on No. 2115

B.M.S.

Marion: 600 (Leo McLaughlin's residence)
Leo: Hello.
Marion: You want me?
Leo: Yes. I was up at Jake's house about an hour ago making arrangements. I heard you had been down looking around at the Ohio.
Marion: Yeah. This fellow (Witt) met me on the street a little while ago, he said he had been looking for me quite a while, that he had a special delivery letter at home saying there was a crap game going on upstairs in the Ohio. He told me to go down and look around. I did, and called him back. When I told him what I found he told me to go back down there and tell 'um to be in Court in the morning, so I did.
Leo: Well I'd better call him cause he (?) told me to look out for them.
Marion: Yeah, you better call him right now, he's at home now. I just finished talking to him.

8:52 P.M., March 21, 1937

Incoming on No. 2115

B.M.S.

Jacobs: Hello.
Leo: I talked to him (Witt) it's all right.
Jacobs: Good.
Leo: He just didn't know how it was. I explained everything to him just like I did to you. I told him that that was that 15th agreement, the same situation as we had at Miller's you know, just a matter of moving upstairs. I told him it was going to be fixed. I told him that he (?) told me to make my arrangements by Monday and I was doing that.
Jacobs: Will they have to come down to court now? Marion cited them.

Leo: Oh no, not now.
 Jacobs: Marion is here now.
 Leo: Lemme talk to Marion.
 Marion: Hello.
 Leo: Everything's all right now, he just did not understand how thing were. I explained everything and it's OK.
 Marion: All right.

8:55 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
 Young: Tink talking.
 Jacobs: You needn't go over there in the morning.
 Young: That's the reason I called you up.
 Jacobs: It's all right now, go right ahead.
 Young: Right ahead now?
 Jacobs: Yeah.

8:57 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Young: Tink again, I just wanted to be sure, you say open up now?
 Jacobs: Yeah, go ahead and you needn't send nobody over. (To court.)

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The following conversations appear to be of interest:

1:17 P.M., March 21, 1937 Incoming on No. 123 R.H.L.

A man from the Arlington Hotel, Frank V. Thompson, asked if a Mr. Chaisley (phonetic) was in jail.
 Fowler: No he isn't here.
 Man: Well he is there under the name of William Russell, what's he charged with?
 Fowler: Picked up for investigation.
 Man: What is his bond, and who picked him up?
 Fowler: There is no bond in this type of case. Night Captain Rogers picked him up and I don't know anything about the charges.
 Man: Where's the Chief? I know him and Mr. Akers and Leo very well and they know me. This fellow is alright. I knew him in San Anita. You know I have lived here for about eight months. I have rooms 806-807 and 808 at the Arlington.
 Fowler: The Chief is home - number 1696.

1:51 P.M., March 21, 1937

Incoming on No. 123

R.H.L.

Call for Chief Rasberry.

Man:

Chief this is Frank V. Thompson. I understand you have a man in jail by the name of William Russell.

Chief:

Yes, Night Captain Ben Rogers picked him up for investigation.

Thompson:

I have known Russell for quite awhile, Chief, and I think he is alright. I own an interest in several tracks - San Anita and Caliente, and believe that he is nothing but a hustler. If he is a suspect in that Southern Club job I am sure you are wrong, since one of my boys tells me Russell was at the track that day. I thought if it was just for touting I would send cash for his bond and pay his fine. I have been coming to Hot Springs for thirty years and am now staying at 806-807-808 Arlington Hotel. I know Mr. Akers, Leo, Jacobs and Dugan. I think this young fellow is alright. I know he gave me and my friends some good dope. These friends are Edwards and Price from Seattle. When will Mr. Rogers be in?

Chief:

He comes on duty at 9:00 P.M.

Thompson:

Would it be alright with you if I call him up and find out what this is all about?

Chief:

That is alright with me.

Thompson:

Well, if it isn't say so. A Chief is a Chief with me you know. If you hear anything call me on my private phone number 2093 if you learn anything more about the matter.

2:45 P.M., March 21, 1937

Outgoing on No. 446

R.H.L.

Arlington Hotel.

Dutch:

Is McAdams there?

McAdams:

Hello Dutch, what do you want.

Dutch:

Say Mac, find out what's going on in 806-807-808, and call me back. Don't let them know about it though, don't make any inquiries, and call me back.

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The following conversation emanated from Mr. "Crip" Hall, who is Secretary of State, Little Rock, Arkansas, and who, according to previous telephone conversations, is very close to Mayor McLaughlin:

9:42 A.M., March 22, 1937 Incoming on No. 648 R.H.L.
Mr. Hall calling from Little Rock.
Mayor: I was trying to get you yesterday, but the matter can wait now. Did you see the front page of the Gazette yesterday. That guy hasn't enough sense to know that we are complying with the law on that poll tax business. That fellow Huff is nuts and trying to stir up trouble. Say, we have more people in town now than at any time since I can remember. People who had two weeks of racing were leaving town, but now that we have opened Belvedere and Southern they have some place to go at night and are staying longer. You know we are not having any of that small stuff around - the people don't like that petty stuff - but they won't squawk about this.
Hall: I agree with you, Leo. I don't think that article will hurt anything. I'll be over to see you some day this week.
Mayor: When you come or if your wife comes alone, be sure to come to box L at the track. Feel free to use this box at any time. Say, you better have Bailey send a letter to Governor Chandler of Kentucky. You know that he will be here tomorrow and those little gestures help.

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The following conversation is indicative of Mayor McLaughlin's influence over County officials:

9:50 A.M., March 22, 1937 Outgoing on No. 648 R.H.L.
636 (County Judge)
Mayor: (In quiet voice, having previously requested some people to leave his office) Is anybody there with you?
Man: Yes, several.
Mayor: Well, you don't need to answer, but I want to tell you something. I wouldn't let that Denby rib me into a mess by making a recount of the election. You know you have to have a petition before you can open the ballot boxes. You know if you do mess with this you will have the American Legion down on you.

Man:

He has already been in but I refused to do anything. I told him that some of his absentee votes would be thrown out. I wish you had told me more about this before the election, Leo. Things would be different if you had.

It might be stated to explain the above call that the City of Hot Springs voted on March 20, 1937, to elect two members of the Hot Springs School Board. Conversations overheard relative to this election disclosed that the City Administration endorsed Dewell Jackson and Dr. Howell Brewer in this election. The final election results were:

Dewell Jackson	1091
Dr. Howell Brewer	650
W. P. Demby	638

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The following conversations further reveal Mayor McLaughlin's interest and control over illegal gambling in Hot Springs, Arkansas:

12:05 P.M., March 22, 1937

Incoming on No. 2115

B.M.S.

Jacobs:

Hello.

Leo:

We've been talking this thing over this morning and here's what we was thinking. Of course, as you know we've got a certain understanding over there (Little Rock probably) but as time goes on things change. You know how that is. We've thought it over and we(?) think it best for Tink not to operate for a while. It would be bad if one of those fellows did come up there and find you were running another place in addition to the two (Belvedere and Southern) agreed on, see? Tell them at the Ohio not to discuss the closing with anybody, just to close as quietly as possible. We're gonna make that report to the grand jury this morning. I'll call you later.

Jacobs:

All right.

12:18 P.M., March 22, 1937

Outgoing on No. 2115

B.M.S.

Jacobs:

123 (City Jail)

Officer:

Chief's office.

Jacobs:

Is Dutch there?

Officer:

No, he's gone to dinner.

Jacobs:

OK, thank you.

12:22 P.M., March 22, 1937

Outgoing on No. 2115

B.M.S.

Jacobs: 210(Ohio)
Man: Hello.
Jacobs: Young there?
Man: No.
Jacobs: Ralph down yet?
Man: No, not yet.
Jacobs: This is Jacobs. Keep that door locked to the upstairs.
Tell Ralph or Young to call me.
Man: Yessir.

12:39 P.M., March 22, 1937

Incoming on No. 2115

B.M.S.

Jacobs: Hello.
Ralph: This is Ralph.
Jacobs: I 'spec you better keep it closed tonight. Keep the
door shut so can't nobody git up in the wire room.
Tink was out partying pretty late last night so
if he comes O.K., if he don't it's all right. Just
don't say nuthin' to nobody - see?
Ralph: All right Mr. Jacobs.

2:15 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Long Distance Operator advised that Mr. Gene Morton was calling from St.
Louis, Mo., collect.

Jacobs: Hello.
Gene: This is Gene - how are you feeling?
Jacobs: Pretty good. Those fellows (robbers) mailed the check
back to us.
Gene: He stopped payment on it - he said he would write you
details as to what to do.
Jacobs: Well, he could just send me another check, and I'll
send this one back to him.
Gene: He said he was going to write to you. If you have any
trouble with him, just let me know and I'll straighten
it out for you.
Jacobs: All rightie - those robbers mailed everything back to me.
Gene: How's business?
Jacobs: Business is good, but only half of what it should be.
People are afraid on account of the hold-up and the heat
on the town - then I don't have many tools, but I got
some new ones in today. He only gave permission to open

two places - the Southern and Belvedere. Anytime you want to work for us again, just come back. It looks like we're going to stay open.

Gene: Thanks, Mr. Jacobs. Heard you were sick in bed.
Jacobs: Yeah. Got the rheumatism. I'm in bed now.
Gene: Well, hope you get well soon.
Jacobs: Thanks, Gene - goodbye.

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The following conversations further reveal the fact that Mr. C. E. Palmer, publisher of the Hot Springs newspapers, is the intermediary between Carl E. Bailey and Mayor McLaughlin, who appears to be representing the gambling syndicate in Hot Springs:

3:15 P.M., March 22, 1937 Incoming on No. 648 H.A.S.

L. D. Operator: Mr. Palmer at Texarkana, Ark., is calling Mayor McLaughlin.
Hazel: He's out, but I'll get in touch with him.
L. D. Operator: Have him call operator 8.

3:16 P.M., March 22, 1937 Outgoing on No. 648 H.A.S.

Hazel: Called 912.
Farris: Hello.
Hazel: Can I speak to Mr. McLaughlin?
McLaughlin: Hello.
Hazel: Operator #8 at Texarkana is calling. It's Mr. Palmer.
McLaughlin: I'll take it in at 807. Call the operator and tell her to ring me there.

3:17 P.M., March 22, 1937 Outgoing on No. 648 H.A.S.

Hazel: Called Long Distance operator #8, Texarkana, and informed her that McLaughlin could be reached at 807.

3:25 P.M., March 22, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.
Mayor: I just talked with Palmer - he said that the Governor called and told him that we had better close down here until after the races.

Jacobs: You mean close down everything?
 Mayor: Yeah, I don't believe anything can be done until after the races.
 Jacobs: Then you think we better close tonight?
 Mayor: Yeah, it would be best. He said that there's a lot of fire down here because of the newspaper story in the Gazette yesterday.
 Jacobs: You suppose this is for good?
 Mayor: I think so, although they said it is just until the racing meet is over. I think they're stalling in this thing - he said the Governor told him that these places are keeping the money away from the race track, and also that there are a lot of State Rangers in town while the racing is on, and that they had orders to see that these places remain closed.
 Jacobs: They haven't been around to bother us.
 Mayor: I know, but that's what he said. Palmer said he will be here tomorrow - that they got him (the Governor) "ribbed" about this thing down here.
 Jacobs: Then you think we ought to close tonight.
 Mayor: Yeah, he said the best thing not to open tonight; that it will eventually iron itself out.
 Jacobs: All rightie.
 Mayor: They've also got to get to this fellow Alban (or Auburn) before they go do anything.
 Jacobs: Uh - uh.
 Mayor: Well, I'll see you tonight, and we'll talk it over.

NOTE: The identity of Alban or Auburn is not known at this time.

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It is pointed out in referring to the last above quoted telephone conversation between Mayor McLaughlin and W. S. Jacobs that Governor Bailey apparently has given the official order to Palmer that gambling in Hot Springs must cease, at least until after the racing meet which ends on April 3, 1937. On the night of March 22, 1937 Governor Bailey made a formal statement to the press that open gambling in Arkansas must stop, and it has been indicated that this statement was prompted by the published reports in the Arkansas Democrat paper (which is heretofore in this report set out). He went on to state to the press that he has no patience with gambling; that it is morally and economically destructive; and that he will exercise his authority and the law enforcement facilities at his command to see that it is stopped.

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The following conversations indicate the reaction of Governor Bailey's ultimatum in regard to gambling:

3:22 P.M., March 22, 1937

Outgoing on No. 2115

J.L.M.

Jacobs: 2791 (Southern Club)
Smitty: Hello.
Jacobs: This is Jacobs - we're going to have to close. Take those bowls from the wheels, wrap them up, and lock 'em up some where. Leave the rest of the tools in the place.
Smitty: O.K.
Jacobs: Lock up the place, and don't leave anybody in. We'll just keep a watchman on duty.
Smitty: Where do you want me to put the bowls for the wheels?
Jacobs: Better bring them over here - I'll keep them upstairs.
Smitty: All rightie.

3:25 P.M., March 22, 1937

Outgoing on No. 2115

J.L.M.

Jacobs: 2485
Sam: Belvedere.
Jacobs: Don't move any of the tables out of there - we got to close up again.
Sam: That's too bad.
Jacobs: Lock everything up and put the curtains up on the side.
Sam: All right.

3:37 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Otis: Heard anything?
Jacobs: He blowed up - we got to close.
Otis: Does it look like it's for good?
Jacobs: Yes - it looks like this is the end.
Otis: I figured that
Jacobs: He said it's just until the racing is over, but I think they're only stalling - they said it's keeping money away from the track and that there are a lot of State Police around. He said that the Governor couldn't take the heat from that newspaper story yesterday.
Otis: Well, that's too bad - how are you feeling?
Jacobs: Much better.
Otis: That's the main thing.

4:02 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Frankie: This is Frankie. Abdo called up down here - he wants to have a couple of winners. I just wondered whether it's all right.
Jacobs: Yes, let him have one or two, but tell him to keep it quiet. He's probably booking.
Frankie: He called only once and asked me whether he could have some.
Jacobs: Yes, let him have one or two.
Frankie: Anything new?
Jacobs: Yeah, we closed up and will stay closed.
Frankie: Was that last night?
Jacobs: No, just now - everything's closed up and there's nobody at both places.

5:45 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Man: What do you know?
Jacobs: We blowed up - had to close.
Man: That's what I heard.
Jacobs: Looks like it is for good. I don't know they said until after the races - looks like the race track is kicking.
Man: O.K.

6:45 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Archie: (Engaged in lengthy conversation with Jacobs about finances of the Southern Club. Said that they had some money of Bill Haver's in the safe and that he wants it in the morning. Also said that Bill Miller promised to give him his check for \$1800 tomorrow; also that Terry sent him a check for \$400 but that he owes \$500. Jacobs told Archie to write Terry and inform him that he owes another \$100.)
Archie: What does it look like?
Jacobs: It's all over.

Archie: There's lots of currency in the safe - if we don't do anything we ought to get rid of it.
 Jacobs: Yeah, we'll put it in the bank tomorrow - all but \$4000 or \$5000. I wouldn't open that safe tonight unless I absolutely had to. We might get robbed again.
 Archie: I won't have any occasion to get into tonight.
 Jacobs: Be sure you have plenty of guards around tomorrow when you take it over to the bank - call the police if necessary. Have Roscoe help you.
 Archie: All right - Roscoe is downstairs. I'll tell him.
 Jacobs: Get a certificate for what you take to the bank.
 Archie: Just one?
 Jacobs: That'll be enough.
 Archie: O.K. I'll call you tomorrow after the money is in the bank.
 Jacobs: All rightie.

7:35 P.M., March 22, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
 Moore: This is Bob Moore.
 Jacobs: Hello Bob.
 Moore: It don't look so good.
 Jacobs: Looks pretty bad.
 Moore: I believe you're gone.
 Jacobs: Yeah - looks like we're gone.
 Moore: I heard you were sick and didn't know whether you were having company. How you feeling?
 Jacobs: Yeah, I've been pretty sick, had a lot of business to tend to, I might get up in a few days.
 Moore: Glad to hear that.
 Jacobs: Glad you called, Bob.

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The following conversation indicates the possibility that Jacobs will not turn any "fix" money over to Palmer in view of the orders issued by Bailey prohibiting further open gambling in Hot Springs:

3:45 P.M., March 22, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.
 Smitty: I'm all closed and locked up, and those two tops will be up there in a minute.

Jacobs: All rightie.
 Smitty: What do you want me to do about this "fix"?
 Jacobs: The what?
 Smitty: I got this money in my pocket.
 Jacobs: Hold it.
 Smitty: That's what I thought. I'll be up there in a few minutes.
 Jacobs: All rightie.

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The following conversation pertains to "Dutch" Akers' request of Roscoe Johnson and Frank Souder to appear at the City Jail and look at several prisoners in an effort to identify them as the men who robbed the Southern Club on March 19, 1937:

6:37 P.M., March 22, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
 Roscoe: That guy insists upon me coming down there to identify those fellows - I already told them I can't identify any of them. Won't you call up there and tell them to stop bothering me and that I can't identify any of them.
 Jacobs: Who's that, Dutch?
 Roscoe: Yeah, he and Swede have been calling me since last night.
 Jacobs: I think it would be best if you go on down there and look at them. We might be criticized by the newspapers if we didn't co-operate with the law.
 Roscoe: Well, I can't identify them.
 Jacobs: Just look at them and tell Dutch you can't identify them. But I think you and Frankie (Souder) ought to go over there.
 Roscoe: All right - that's a tough break about closing.
 Jacobs: Yeah, call me tomorrow morning - I think we'll go back to sneaking bets on the horses again. I'm going to see "a fellow" (Mayor) tonight about it.
 Roscoe: It looks bad, doesn't it?
 Jacobs: Yeah, it's the toughest it's ever been.
 Roscoe: All rightie, I'll call you tomorrow.

With reference to the underscored portion of the above conversation, it is pointed out that W. S. Jacobs will attempt to get the Mayor's permission to book horses at his places on the "sneak". This permission undoubtedly was granted to Jacobs, as the following day conversations indicated that Jacobs' employees were booking horses at the Southern, Ohio, and Kentucky Clubs.

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The following call, which emanated from Jacobs' residence by Mayor McLaughlin, undoubtedly has reference to the conference between Sheriff Marion Anderson and Gray Albright, Superintendent of the State Rangers, at which time Sheriff Anderson made the statement that the gambling houses in Hot Springs were closed, and that as far as he was concerned they will remain closed:

7:25 P.M., March 22, 1937

Outgoing on No. 2115

J.L.M.

Mayor: 2393 (Marion Anderson, Sheriff)
Anderson: Hello.
Mayor: What was that you were telling me when you left me a while ago?
Anderson: I don't want to tell you over the phone.
Mayor: What did he say to you?
Anderson: I'll tell you when I see you.
Mayor: When can I see you?
Anderson: I'm eating supper now. He called me just a while ago.
Mayor: He did --
Anderson: I'll see you at Spencer's at eight o'clock.

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On Monday, March 22, 1937, a new Grand Jury for Garland County was empaneled for duty during the present term of the Circuit Court, and telephone conversations overheard indicated that Mayor McLaughlin indirectly participated in the selection of these jurors. Circuit Judge Earl Witt's charge to this Grand Jury is of interest, as conversations intercepted by the agents on the Mayor's telephone indicated that Mayor McLaughlin assisted Judge Witt in writing this charge. Inasmuch as it pertains to gambling and law enforcement in Hot Springs generally, it is being included in this report. The statement reads as follows:

"We have in Hot Springs one situation that may be peculiar and that is with respect to the gambling laws.

"Gambling includes the operation of about every sort of device of any kind whereby anybody might win or lose money, and any device that is set up and operated for the purpose of inducing people to take a chance on winning or losing money would be gambling device. And however innocent the thing may appear to be, it is included in the general term of gambling devices. The law mentions a great many of such devices and also sets out and enumerates a great many games which are defined as gambling, such as poker and faro and roulette wheels, and the statute mentions a number of others. I don't have the statute before me now, and for that reason I can't enumerate all of them that is mentioned in the statute. But you are familiar with those.

"Now, I believe the only sane way to solve any question is by a direct approach to it. I don't think you can ever meet any issue successfully by dodging it. It is not the honest way to do a thing;

it is not the effective way. The honest way and right way to face any issue is to walk right square up to it and face it.

"Now then, I don't know just how long the courts and juries of Garland county have had to contend with gambling, but for many, many years. Now, I know there was gambling in Hot Springs before I came here, and you know that as well as I do, and most of you have lived here longer than I have. It is no new question in Hot Springs and Hot Springs is not the only community where gambling exists. Hot Springs is not the only place where gambling devices are operated. So we are not the only people who have to undertake to deal with that issue. The men who have been reputed to be gamblers around Hot Springs were here before I came here.

"I didn't bring that class of people here with me and I grew up in a community where none of it existed. But I have been familiar with Hot Springs all of my life and most of you have been familiar with it most of your lives. I think I have a right to believe that it is the best town in our country.

"Now, I want to say this, that spasmodic efforts at law enforcement do no permanent good. They serve about the same purpose in law enforcement as these hot weather revivals do in the cause of Christianity. Periods of time come along and we have flare-ups of intense activity in the lines of law enforcement. They are just like the summer revivals: Cold weather comes and the spirit plays out. So after all, in the long run, there should be a proper and sensible steady course to pursue, and of course along the path-way that the law would direct would be the proper course.

"Now then, Hot Springs is not confronted with any more propositions of law enforcement, according to my information and belief, than any other resort town in the country; and, while I have visited very few of them, still I have talked to many people who have seen a great many of them, and I think we have about the same question here to contend with as they have. It has always been my belief that the good people of the community can and will regulate it and adjust themselves to the law and I believe that the local authorities constituted by the law is not only the proper way but is the best way to accomplish lasting and good results in the enforcement of the law, and, as I say, I believe the good people of the community can always be depended upon to do that.

"Now, in this county and community I think I know pretty well who the good people are, and I know that you are going to do what you think is the best for your community. As I stated, you have lived here a number of years, and you have your investments here, and your homes are here, and your interest is here in your community; and you do not need me nor anybody else in Hot Springs or out of Hot Springs to enlighten you upon your duty as citizens. It would be presumptuous upon me to undertake it and it is nothing but foolish upon the part of some outsider to tell me that you are not going to perform your duty as you conscientiously see it, because I know you will.

"Now then, it is true that at times, conditions here in Hot Springs become such as they need and demand, the special attention of the officers; and there have been many, many times during my tenure of office when it has been necessary to send the officials around and raid places and close them up and get rid of these gambling devices up and down the streets of our town. That has been done time and time again and there has been no rush upon our part to the newspapers to have notice of those acts of our given publicity. I think a public officer who performs the duty of the office for the sake of publicity is a 'cheap skate.' I don't think he deserves the respect of the people. There is something cheap about him somewhere when he runs to a newspaper and wants to have publicity given to everything he does in line with the performance of a simple duty.

"Now, there are two ways that we can keep down public nuisances here in Hot Springs along what is termed the gambling business. One is to indict everybody every time any sort of gambling device appears anywhere in this city. Another is to let the officers of this county go around and keep these places free from such gambling devices. There is not going to be any considerable number of these gambling places continue for any length of time unless it is tolerated or overlooked by the officers. Now, we know that. And I say, let's just meet these questions squarely and directly. I believe the best way is to require a little stricter lookout upon the part of our officers with respect to what I have just stated to you, and, by doing that, we can avoid the necessity of a great many prosecutions here which brings about untold expense upon the people of this county. Efforts properly directed along the line of my suggestion are more effective in suppressing the thing you want to stop and is certainly less expensive. The officers of this county are upon a salary and it is their duty to observe for any violations of the law, not only gambling but any other, every day in the week as might become a nuisance or a disturbance to Hot Springs. It is their duty and they are paid to do that.

"Now, I want to say this to you, too, that I am not undertaking to jump on any officers. It is not my practice to do that. Sometimes we all become a little careless. And just because there may be times here when there may be going around Hot Springs, gives no man the right to say that it is on account of the collusion of the officers. That does not necessarily follow, by any means and the man who makes that statement against the public officers of this county is not informed or else he is highly prejudiced. But, as I say to you, I think there should be more vigilance upon the part of the local officers of this county and city. They have told me that they would be more vigilant and diligent in observing for these violations to which I have referred. I want to believe and I do believe that they will make their promise good. I have every confidence in the world in the sheriff of this county, not only in his integrity but in his ability. He wants to work with you and he wants to work with the people of this county. I know what he desires to do; and

the chief of police of the city officials referred to by the outgoing grand jury, Mr. Rasberry, according to my information and belief that he is a good, conscientious officer. So I say, when conditions reach the point, if they do, where the attention of the officers should be called to them, then I think all you would have to do would be to let them know about it. If, in your judgment, indictments should be returned against anybody who might set any sort of gambling device, then you return those indictments and they will be tried; they won't be whitewashed. Just let me tell you that. You know it is a pretty easy thing for the judge of a court to do a lot of "grandstanding;" if he wants to do a lot of grandstanding, he can do that. But that is a mighty cheap, shallow way to perform a public service. Let's just illustrate what I mean by that, suppose it was against the law to have horse racing in Hot Springs and they were out there racing. You can't have horse racing without people making investments. (They call it investments.) All right. It is a violation of the law and the judge of the court with a lot of dignity (and he can have a long-tailed frock coat on with everything else he wants to) calls the grand jury. He can assemble the grand jury and give a moral lecture on gambling that would raise the roof off of a church house and order the sheriff and deputies out there. They come back and say, "no, there is no gambling," and the judge goes home, and in all his dignity and honor, he feels he has done his duty. If you think he has, you have a different idea from what I have. I am not going to do that kind of business. I have never engaged in it. I never have and never will. I am not that sort of a four-flusher. So I say, the only way to get at a thing is walk right up in front of it; you can't dodge around and sidestep issues and do much with them.

"Now then, there are two or three other things I had in mind saying to the jury this morning, but it might not be proper for me to do that. On second thought, I have decided it wouldn't be. It doesn't concern law violations, however. What I had in mind saying would be considered as being somewhat political or having a political color to it and I think there are two or three places where politics should be eliminated and forgotten: one is the pulpit, and the other the court room. I think a judge of a court who tries a case for the sake of politics is a cheap skate and I don't care who he is. So I think you gentlemen understand now pretty well about the performance of your duties. You have the assistance at all times, of course, of the prosecuting attorney, and if I can be of any assistance to you, of course I am always glad to help you."

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The following conversations reveal that W. S. Jacobs and his employees are participating in the campaign to have Leo P. McLaughlin re-elected as Mayor in the coming City Election on April 6, 1937:

8:05 A.M., March 22, 1937

Outgoing on No. 2115

B.M.S.

Jacobs: 2485 (Belvedere Club)
Otho: Hello.
Jacobs: Otho, Jacobs, in the morning, if you get a chance,
go down and see the Mayor. I want you to get off
those absentee votes. Get one of those lists of
all those we've (?) got to assess.
Otho: All right.

7:45 P.M., March 24, 1937

Incoming on No. 2115

B.M.S.

Jacobs: Hello.
Leo: How are you?
Jacobs: All right, how you feel my friend?
Leo: Well pretty good, I've been worrying about that
election.
Jake: I sent Otie over with those things.
Leo: I saw Wallie out to the race track.
Jake: They're after him in Little Rock. Bobby Hughes says
they're pretty hot over there. We've been sneaking
one or two.
Leo: I want to get all those other things (probably votes)
together.
Jacobs: I'll see Roscoe and get him to get 'em together.
Leo: The sooner the better.

9:52 A.M., March 25, 1937

Outgoing on No. 2115

B.P.S.

To 648 (Mayor's office)
Hazel: Hello, Mayor's office.
Jacobs: Is he very busy?
Hazel: I think he will have time to talk to you.
Jacobs: The only record that Roscoe needs is the assessment list.
Mayor: He can get the list from Violet.
Jacobs: Has Otis shown up yet? I had Frankie call for Roscoe
at the Country Club. He will be in soon.
Mayor: There's no hurry. That fellow's brother was here
last night.
Jacobs: Who? Bailey's brother?
Mayor: Yes. He picked up Marion (Anderson) and Earl (Witt)
and took Earl off. I haven't seen Earl yet to find
out what it was.
Jacobs: Earl is getting kinda high hat (?) isn't he?
Mayor: No.

Jacobs: They loaded that boy up with clothing and all that,
but I think he will wind up voting for you.
Mayor: Who?
Jacobs: *Corrigan.
Mayor: Yes.

11:30 A.M., March 26, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 648
Hazel: Mayor's office.
Jacobs: May I speak to him?
Hazel: Yes, just a minute."
Mayor: Hello.
Jacobs: That stuff you give Roscoe - you want him to git
duplicates?
Mayor: No, just keep going "up there" with them, two or
three at a time.
Jacobs: Oh I see, you mean use 'em over and over.
Mayor: Yeah, and also keep making copies of those lists.
Jacobs: What do you mean by "up there" - Mc Wilsons?
Mayor: No, no, County Clerk.
Jacobs: Oh, all right.

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The following conversation is interesting, as it pertains to
prostitution in Hot Springs:

12:05 A.M., March 22, 1937 Incoming on No. 446 H.A.S.

Bill Hamilton: (Drunk) - Requested that he be notified if any of
the jockeys from the track were arrested or seen
visiting houses of prostitution or like "joints."

NOTE: Bill Hamilton is an official at the Oaklawn
Race Track.

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The following conversation indicates that Grace Goldstein has
some visitors from Ohio, the identities of whom are unknown:

5:32 A.M., March 22, 1937

Outgoing on No.123

H.A.S.

Man: Called 3421 (Hatterie Hotel)
Woman: Hello.
Man: Still there? Did Grace come back?
Woman: No. She's out with some friends from Ohio. I'm
still here.
Man: Can you get away for a while?
Woman: Come on up. Maybe I can get away.
Man: O.K. See you in a few minutes.

NOTE: Although parties did not identify themselves,
it is possible that they were Jack ~~Mc~~ Jenkins (city
fireman) and Connie ~~Mc~~ Morris.

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The following conversation may have some reference to an I. O.
Bureau fugitive:

11:34 A.M., March 22, 1937

Incoming on No. 123

W.T.M.

Condon talked to Akers and Akers told him "your friend Moron is out of
pocket again", also urging him to tighten up the guard saying, "that
thing is still here and may hit again". Condon also mentioned seeing
a "circular" where O'Neal was wanted for stealing a Ford and who hangs
around race tracks. Condon says he knew him in Canada and will be on
watch out for him here.

(NOTE: O'Neal may be a subject of a Bureau investigation. John Condon
is Captain of the guards at the Oaklawn Race Track.)

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The following conversation reveals that "Dutch" Akers probably
at times hires himself out to secure evidence in divorce suits:

9:45 P.M., March 22, 1937

Incoming on No. 123

H.A.S.

Woman: Mr. Akers there?
Akers: Hello.
Woman: Did you see them out there this afternoon?
Akers: No, but there was such a crowd.
Woman: Do you think you'll get anything by Saturday?
Akers: Maybe.
Woman: Can you get me a detective who could take some pictures?

Akers: Not from Hot Springs while the races are on.
I'll think about it, though.
Woman: Did you get that I sent you Saturday?
Akers: Yes. Thanks.

NOTE: Woman was same who has made previous calls, apparently seeking grounds for divorce.

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The following conversations are of interest and are self-explanatory:

9:00 A.M., March 23, 1937 Incoming on No. 648 W.T.M.

Man: Leo, this is Jack Manier (phonetic) I just wanted to call you and let you know I am going to support you for Mayor and do everything I can to help you.
Mayor: Well thanks very much. That's fine.
Manier: It's a political fight. I read that statement of Tackett's (opposing candidate for Mayor) in the paper, and it looks like that Bailey is trying to put the pressure on just to hit at you. I'm with you.
Mayor: That's fine - thank you.

11:47 A.M., March 23, 1937 Incoming on No. 648 J.L.M.

Miss Marsh: Mayor's office.
Levi: Is Sonny Davies there?
Miss Marsh: I'll ring the Mayor - you ask him.
Levi: All right.
Mayor: Hello.
Levi: Do you know who is stalking for you?
Mayor: No.
Levi: Levi (laughs).
Mayor: Hello - are you going to vote for me on the 6th?
Levi: You bet I am, and so is my son and the whole bunch.
Mayor: O.K. I'm going to depend on you.
Levi: Don't worry - we don't want any change down here.
Mayor: O.K. then.
Levi: Is Sonny Davies there?
Mayor: He just went downstairs - you can get him at 184.

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The following conversation between Mayor McLaughlin and Jack
Holt, State Attorney General, is of interest:

9:35 A.M., March 23, 1937 Incoming on No. 648 W.T.M.

(Connection with Holt at Little Rock established)

Mayor: Jack, Leo. What you say?
Holt: Oh, not much. We are pretty much covered up here. I
think we can come up for air soon.
Mayor: Did you give that much thought that I called you about?
Holt: Yes. I'm coming over there today and I'll talk to you.
When can I see you - at dark or after dark - what?
Mayor: Yes. You going to stay over after races?
Holt: No, I got to get back - but I'll be at the Arlington
after the races. Where can I get hold of you at
about 7 o'clock?
Mayor: I tell you what do - you call me at 600 at 7 o'clock
and I'll arrange to come to you.
Holt: Yes, that's the best way to handle it.

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The following conversations reveal that W. S. Jacobs authorized
his employees to "sneak" bookmaking horse race bets at the Ohio, Kentucky, and
Southern Clubs, this being in violation of Governor Bailey's strict orders the
day previous. It is to be recalled that Jacobs indicated in one of his
telephone conversations the day previous that he would get Mayor McLaughlin's
unofficial sanction to operate bookmaking games in his places.

10:55 A.M., March 23, 1937 Incoming on No. 2115 B.M.S.

Man: How about it.
Jacobs: It's all right, but be mighty careful.

10:17 A.M., March 23, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.
Roscoe: What do you know?
Jacobs: Nothing new.
Roscoe: What do you want me to do.
Jacobs: I think we can sneak a little, but don't let the fellows
gang up around the front of the place or upstairs -
they might hold us up again.

Roscoe: O.K. Anything you say.
 Jacobs: We probably will get fined if we get caught, but that can't be helped. We just can't give up and starve to death.
 Roscoe: That's right,
 Jacobs: Did you see Doc around the Kentucky?
 Roscoe: No.
 Jacobs: I'll call him and the Ohio, and tell them they can sneak a little if they want to.
 Roscoe: O.K.

10:24 A.M., March 23, 1937 Outgoing on No. 21154 J.L.M.

Jacobs: 1117 (Kentucky Club)
 Man: Hello.
 Jacobs: Is Doc around there?
 Man: No, he hasn't come down yet.
 Jacobs: When he comes down, tell him Jacobs wants him to call him at #2115.
 Man: All right, Mr. Jacobs.

(10:40 A.M., March 23, 1937 Outgoing on No. 2115 J.L.M.

Jacobs: 210 (Ohio Club)
 Jackson: Ohio.
 Jacobs: Is Tink around?
 Jackson: Not yet - this is Jackson talking.
 Jacobs: Was he there yesterday.
 Jackson: No.
 Jacobs: I wonder if he's in town.
 Jackson: I don't know.
 Jacobs: We thought we can sneak on the horses around the Southern, Kentucky, and Ohio Clubs, but I don't want to do anything unless he's around.
 Jackson: When he comes in - can he call you?
 Jacobs: Yeah, he can call me.

6:20 P.M., March 24, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
 Roscoe: We quit 821 winner.
 Jacobs: Good.
 Roscoe: We had 18 on the markers and 721 cash, total take of 2521.

Jacobs: Are they open in Little Rock?
 Roscoe: They're sneaking. Joe called me, said they handled 1095 at the Kentucky. They bet me that much.
 Jacobs: Has Levey bet much?
 Roscoe: No, he bet me once while Joe was betting him.
 Jacobs: They're in together aren't they?
 Roscoe: No, they're both booking.
 Jacobs: Bobby was over here from Little Rock, said two police were sitting in his place when he left. How about Memphis.
 Roscoe: They said Memphis was all closed up, all wire have been cut off.
 Jacobs: Bernard told me that and I told him to call 1468 and he could get what he wanted. Did he call?
 Roscoe: No.
 Jacobs: Are Tink (Ohio) and Kentucky sneaking?
 Roscoe: Yeah - they're sneaking.
 Jacobs: Well, I'll see you.
 Roscoe: O.K.

1:50 P.M., March 25, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 1117 (Kentucky)
 Doc: Hello.
 Jacobs: You doing any business Doc.
 Doc: Business good.
 Jacobs: Any Little Rock business?
 Doc: 1520 take on Little Rock and only 1504 on Hot Springs today. Joe Robinson was in here and said he would have brought that check down if he had known he was coming.
 Jacobs: That's OK. Glad to hear you getting good bets.
 Doc: OK, I'll see 'ya.

6:25 P.M., March 25, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.
 Roscoe: Hello Jake, this is Roscoe - we were \$443.85 loser today. We lost all of our money on place and show bets.
 Jacobs: Is that right?
 Roscoe: How do you feel?
 Jacobs: Oh pretty good. Did you ever get a hold of Otis?
 Roscoe: No. I saw him on Central Avenue at 3:00 P.M., but I couldn't get him to stop.

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The following conversation is of interest, as it pertains to certain gambling equipment that W. S. Jacobs ordered sometime previously:

11:14 A.M., March 23, 1937 Outgoing on No. 2115 B.M.S.

Jacobs called Wills at Cadillac 5974, Detroit, Mich.

Man: Wills.

Jacobs: Jacobs, Hot Springs.

Man: Yessir, Mr. Jacobs.

Jacobs: Did they ship those out yet?

Man: Couldn't get them out yesterday, but they'll go out today sure.

Jacobs: Well, they got us closed again. I was gonna say you can slow up if it would help you any.

Man: That's too bad, but we will be mighty glad to get more time. We are holding up production on everything else to get those out. We can now give you a better drying and more satisfactory job. Are you closed for good?

Jacobs: Think so. I think we blew it this time.

Man: Well, if it will help you any, here's luck to you.

Jacobs: Thanks.

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The following conversation is of interest, as it pertains to the closing of a Tango Parlor in Hot Springs, which place is not owned by W. S. Jacobs:

7:00 P.M., March 23, 1937 Outgoing on No. 2115 J.L.M.

Mayor: 2393 (residence of Marion Anderson)

Sheriff: Hello.

Mayor: You haven't been over to those places yet, have you?

Sheriff: No, I'm going to meet the Judge in a little while, and he's going to give me the papers.

Mayor: Just talked with Palmer, and he thought it best that you go over there tonight. It's raining and not many people will be in the place. Be sure to tell them that you're closing them up on the instructions of the State Police.

Sheriff: Yeah.

Mayor: Tell them you got your orders from Little Rock, and stay there until they take that tango stuff off the wall.

Sheriff: All right.

Mayor: Just tell them you got your orders from Little Rock. I'll see you later.

Sheriff: All rightie.

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The following conversation pertains to an employee of "Dutch" Akers at the Highland Park Inn, who was arrested and charged with carrying a concealed weapons:

2:06 A.M., March 23, 1937 Outgoing on No. 446 H.A.S.

Rogers: Called 341 (Citizens Cigar)
 Asked for Lee Ault.
Ault: Hello.
Rogers: Lee, we've got an old fellow named Dan - used to work
 at Jim & Georges (Cafe) - now works for Dutch at the
 Highland Park Inn. He's charged with carrying
 concealed weapon. Do you want to go his bond?
Ault: Can't get off now.
Rogers: I'll just put your name down as "standing for him."
Ault: OK.

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The following conversation shows a relationship between "Dutch" Akers and W. S. Jacobs:

9:02 A.M., March 23, 1937 Incoming on No. 123 R.H.L.

Jacobs: What about the boys you got Dutch?
Dutch: We have the boys that stuck up the liquor store.
 Roscoe Johnson took a look at all of them but was
 not impressed. The other victims don't seem to be
 interested. I think some of them victims know who
 done it and know that we have the wrong man.
Jacobs: Wheatley was telling me about a Pontiac that
 sometimes has 1937 Arkansas plates #1-51 and
 sometimes Texas plates.
Dutch: I hadn't heard about that. I'll sure have to
 investigate that.

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The following conversation indicates that "Dutch" Akers considers himself part of the gambling syndicate in Hot Springs. The "money from the Clubs" referred to in this conversation is a quantity of currency which was removed from the Southern Club to the bank on this date:

11:21 A.M., March 23, 1937 Outgoing on No. 446 R.H.L.
 1111 - Park Hotel. Calling Mr. Condon.
Condon: I was over to see you this morning.

Dutch: Yea, I know. I was busy moving the money from the Clubs. It don't look like we will get a chance to use it now.

Condon: It sure don't. You called me this morning, what did you want?

Dutch: I have that scabbard ready for the gun at the track. I'll bring it out there with me this afternoon.

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The following conversations are of interest, as it gives some "inside" on the Southern Club robbery, and mentions the possibility of a New York mob perpetrating this robbery, and the fact that they are in town. The New York Field Division was requested by letter to check on Costello and his mob to determine whether they are being sought by the Bureau for a Federal violation:

8:52 P.M., March 23, 1937 Outgoing on No. 123 R.H.L.
1111- Park Hotel - Mr. McCarthy.

Dutch: Do you have a personal friend in Baltimore that I could wire?

Mac: Sure, what about?

Dutch: There was a man in the Arlington Hotel named Sindler, who had four men visit him on March 18. Somebody heard them talking about a robbery. He registered from Baltimore. I want to check up on him.

Mac: You wire Lt. Wm. J. Murphy. He is the smartest dick there.

Dutch: Thanks, Mac.

8:55 P.M., March 23, 1937 Outgoing on No. 123 R.H.L.
2115 - Jacobs.

Dutch: How are you feeling?

Jacobs: Pretty good. What do you know?

Dutch: I checked on that bird at the Arlington. There may be something to that.

Jacobs: Where did you get your information?

Dutch: That fellow at the Belvedere Club, you know, the tall guy - McKinley is his name I believe. He works at the Arlington in the daytime. This guy checked in on March 8 and out on March 18. His name is L. E. X Sindler, Baltimore, Md., and I am checking on him.

Jacobs: What about the men at Little Rock?

Dutch: I don't believe there is anything to that. They picked up another boy in Memphis, but he had a perfect alibi and they let him go. He proved that he was in Chicago at the time.

Jacobs: Did the fingerprints check out?
Dutch: Do you know the nigger up there wiped the prints off after the guy had the powder on them. He said it was an accident. All that I have now is a police print. I am confident that at least one of the boys that was robbed knows all about this. It looks like an inside job to me. They found two men shot in Mississippi today and don't know who they are. They might have had a fight over the split. I wired down there but haven't heard anything.

Jacobs: I ran into Costello and his mob the other day.
Dutch: Yea, I know they are in town, but they got in after it was over.

Jacobs: Costello's brother is a notorious hyster and he was here. I think there is some connection with that job that was pulled in Miami not long ago.
Dutch: Mebbe so. Some of those men lived alright. Of course it could have been some of those extra dice dealers, but I don't think so. I think we can eliminate Frankie.

Jacobs: Yes. He and Roscoe were scared to death. Roscoe ain't over it yet.
Dutch: I saw Cue Ball at the track. He looked pretty seedy - had dirty fingernails. I don't think he had anything to do with it, though.

Jacobs: I am not so sure about Jas. Farrell.
Dutch: He told me about that taxi ride, but when I got the taxi driver the story didn't check. I don't believe they ever threatened him. He's an old time hyster you know.

Jacobs: I think it was an inside job.
Dutch: Yea. You know they really went up that mountain. The girl said they took off their masks right away. Hell, they must have known that anyone could see them from that back window and shoot at them. Those guys could have got a good look at them. I am sure Swede was chasing the right car. I don't believe that Amity business though. Young was drunk. They probably went to the lake and then came back through here and left those checks. We found a tin box this morning from that Walnut Street job.

Jacobs: Those loafers never should have been allowed to be in there. The whole thing stinks.
Dutch: Yea, it don't look on the up and up to me. Say, Swede said to tell you that he took your "pea pals" (?) to Belvedere. What do you hear from Little Rock?

Jacobs: It looks bad. I heard they closed up Marion (?)
Dutch: Yea

Dutch: I guess we'll have to go to Mexico yet.
 Jacobs: Yea, let's pack up. It looks like that guy (Bailey) is trying to be U. S. Judge.
 Dutch: Who is going to get it, Moses (Hamilton)?
 Jacobs: No, I don't think so. I think Trimble will get it. He is a relative of Robinson's. Moses owns too much oil stock. Mrs. Caraway (U. S. Senator) is pushing Bailey because she don't want him to run against her.
 Dutch: Well hurry up and get on your feet.
 Jacobs: I will.
 Dutch: Well, so long partner.

9:15 P.M., March 23, 1937 Outgoing on No. 123 R.H.L.
 30 - unlisted (over Arcade)
 Dutch asked McAdams to look up L. E. Sindler's address in Baltimore.

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The following conversation is of interest:

1:17 P.M., March 23, 1937 Incoming on No. 123 J.L.M.

Mr. Belsham: Is Captain Watkins there?
 Watkins: Hello.
 Mr. Belsham: This is Belsham (phonetic)
 Watkins: What kind of pistols have you?
 Mr. Belsham: .38 S & W pistol and a .45 automatic pistol.
 Watkins: Where did you get the automatic from?
 Mr. Belsham: I got it from Dutch.
 Watkins: I'd like to trade with you for that automatic.
 Mr. Belsham: I want to keep it - I'll let you carry it for awhile.
 Watkins: No, I want to trade you - there's something in back of that pistol; that's why I want it.
 Mr. Belsham: Where can I see you?
 Watkins: See me in the morning. I think after I talk with you, you'll let me have it.
 Mr. Belsham: All right.

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The following conversations appear somewhat suspicious:

7:20 P.M., March 23, 1937

Incoming on No. 446

H.A.S.

Man: Dutch Akers there?
Akers: Hello.
Man: Hello old man, did you bet on that "squeezer"?
Akers: Yeah - OK.
Man: Have you got "Hank" Millo in jail?
Akers: Who?
Man: Hank Millo.
Akers: Oh I know who you mean.
Man: How much will it take to get him out?
Akers: "Half way".
Man: What?
Akers: "Half way".
Man: All right, I'll be down to see you.

NOTE: Party calling did not identify himself. Man in jail is probably held as "Hank" Mills, as per previous calls.

7:40 P.M., March 23, 1937

Incoming on No. 123

H.A.S.

Man: Is Mr. Akers there?
Akers: Hello.
Man: Mr. Akers, this is Dr. Brown. Do you have any information for me?
Akers: (Pause) Well I don't have any car here now but the police car.
Man: Well (pause) can I meet you?
Akers: All right - where?
Man: (Pause) Same place?
Akers: Yes - I'll be in the police car - the big Buick. Look out for me.
Man: O.K.

NOTE: Party calling did not identify himself other than using the name Doctor Brown. From tone of voice and conversation it was thought to be an alias.

7:15 P.M., March 24, 1937

Incoming on 123

H.A.S.

Man: Is Mr. Akers there?
Akers: Hello.
Man: This is Dr. Brown (pause) Any information for me?
Akers: No, doctor, not a thing since I talked to you last time.
Man: All right.

NOTE: Voice of man giving name as Dr. Brown was identical with that of man inquiring Akers' residence phone number at 7:12 P.M., and also who talked to Akers on night of March 23, 1937.

8:25 P.M., March 24, 1937

Incoming on No. 123

H.A.S.

Man: Mr. Akers there?
Akers: Hello.
Man: Dutch this is "Doc" What'd you know?
Akers: I'm all tied up now with a half dozen prisoners.
Man: Well, I think those fellows will be there all tonight.
Akers: Can't help it. I can't get away tonight.
Man: Could I meet you at the same place?
Akers: No, not tonight. Anyway, I couldn't see that other fellow until "way late" tonight because he comes in and takes a "nap" at this time. Only thing I can say is to use your best judgment.
Man: All right. I'll call tomorrow.

NOTE: Man who gave name as "Doc" had voice similar to man who called Akers on two previous evenings giving name as "Doctor Brown."

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The following conversation between Mayor McLaughlin and Harry Hopkins, W.P.A. Administrator, is of interest:

10:38 A.M., March 24, 1937

Incoming on No. 648

B.M.S.

Hazel: Mayor's office.
Harry Hopkins: This is Harry Hopkins speaking, could I talk to the Mayor?
Hazel: Yes, Mr. Hopkins, just a moment.
Leo: Hello.
Hopkins: Hello Mayor, this is Harry Hopkins, we are going out tonight, but not until after the seventh race. (laughs)
Leo: Well I hate to see you leave. If you have any tickets to cash in and don't have time to cash them I'll cash them for you for 10%. (laughs)
Hopkins: I am sorry I have to leave. I would like to have seen more of you while I was here. There are many interesting things to be seen in your town.
Leo: Yes it is a nice and interesting place. I would like to have seen more of you too.
Hopkins: I find politics the same here as in other places.
Leo: Yeah, just like Washington.
Hopkins: If the Federal Government would put some of your medical friends on the payroll it might help the situation.
Leo: Yeah, this marriage will help one of your men, he's been flat broke around this town here for ten years. And this Wooten is one of the damndest four-flushers in town. I think they put him on the pay roll last

Mayor (cont'd): year then sent a man to count the number of post holes he dug per day. (laughs)
 Hopkins: Well, if you come into Washington be sure and come in and see me.
 Mayor: Thanks, and if any of your friends come down, tell 'em to drop in and see me.

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On the morning of March 26, 1937 there appeared a news item in the Hot Springs Sentinel-Record paper to the effect that an unconfirmed report had it that \$30,000 and not \$8,100 was taken in the robbery of the Southern Club on March 19, 1937. The following conversation between "Dutch" Akers and W. S. Jacobs undoubtedly refers to this news article. The reference made to Governor Bailey is of interest.

10:17 A.M., March 26, 1937 Outgoing on No. 2115 D.P.S.
 To 123 (Police Department)
 Jacobs: Is Dutch there?
 Akers: Hello.
 Jacobs: Why didn't you tell me they got all that money up at the Southern?
 Akers: I read about it in the papers this morning.
 Jacobs: What do you know?
 Akers: I thought I'd be a preacher and join up with Bailey. (Governor Bailey)
 Jacobs: He is trying to be the U. S. Judge over Robinson. (Senator Robinson)
 Akers: I was coming by last night, but I thought you'd be in bed.
 Jacobs: Where did the "flare-back" come from?
 Akers: It must be out of one of the racing sheets. I'll go down now and find out and come by the house.

It might be stated that the reporting agent observed the Hot Springs Police Department Oldsmobile car parked in front of the residence of W. S. Jacobs on Cedar Street at approximately 11:00 A.M. on this morning. A short time later agent saw this same automobile proceed south on Central Avenue, with "Dutch" Akers at the wheel, and Day Police Captain "Jerry" Watkins sitting beside him.

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The following conversation between W. S. Jacobs and Roscoe Johnson, Manager of the Southern Club, is of interest:

10:23 A.M., March 26, 1937 Incoming on No. 2115 D.P.S.

Jacobs: Hello.
Roscoe Johnson: You are a little "O.D." at the bank.
Jacobs: You mean overdrawn?
Roscoe: Yes.
Jacobs: I knew that. I sent some checks down to Houston, they have been short.
Roscoe: "Pete" called and said it was \$3800.00. I am going down and see that party now.
Jacobs: Who?
Roscoe: Al.

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The following conversations are evidence that W. S. Jacobs' enterprises are booking horses in Hot Springs in violation of Governor Bailey's orders a few days previous:

4:55 P.M., March 26, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 1117 (Kentucky Club)
Doc: Hello.
Jacobs: Doc (Omar), W. S. Jacobs, getting anything from Little Rock?
Doc: Yes, quite a bit. They haven't won anything yet.
Jacobs: Good, hope they don't.
Doc: We had a take yesterday of \$1800.00 but only came out \$17.00 ahead.
Jacobs: Well, glad to hear you are getting some bets from them, it shows they're not all in jail as the papers try to make out.
Doc: Glad you called Mr. Jacobs, and hope we keep winning.
Jacobs: Yes, so do I.

6:15 P.M., March 26, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Roscoe: 899 winner. 1195 Markers, 324 cash.
Jacobs: OK, Did you get all your votes in?
Roscoe: I guess they all got in, I give 'em to Tim, I suppose he got 'em in.
Jacobs: What did Kentucky do?
Roscoe: 895 on markers I think, they quit even.
Jacobs: All rightie.

6:25 P.M., March 27, 1937 Incoming on No. 2115 D.P.S.

Roscoe: 530 markers, 540 cash, 353 salary, \$150 Nationwide (wire service) (Rest of figures indistinguishable because of speed with which Roscoe was talking).
Got some bets today from the Ohio and Kentucky.
Jacobs: Have you heard whether they are going over at Little Rock?
Roscoe: No.

6:26 P.M., March 27, 1937 Outgoing on No. 2115 D.P.S.

To 1117 (Ky. Club)
Jacobs: Did you hear from Little Rock today?
Man: No, I didn't. We won \$120.00 over here.
Jacobs: Same fellow bet you?
Man: Yeah.
Jacobs: I saw where someone was arrested (probably referring to Little Rock) Lost \$700 at the Southern Club today?

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The following conversations between Lee Brown of Houston, Texas, and W. S. Jacobs, disclose a corrupt situation in the State of Texas:

7:56 P.M., March 27, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: Called Long distance operator. 2115 calling Mr. Lee Brown, McAfee Hotel, Houston, Texas.
Operator: Hold the line please. (pause) Mr. Jacobs could I call you back, the lines are all busy to Houston right now.
Jacobs: All right.

8:02 P.M., March 27, 1937 Incoming on No. 2115 B.M.S.

(Operator completed the long distance to Lee Brown indicated above.)
Jacobs: Hello, Lee, how you feeling?
Brown: All right Mr. Jacobs, are you still in bed?
Jacobs: Yeah, still got the gout.
Brown: Gee, that's too bad, I saw in the paper where everything folded up over there.
Jacobs: Yep things look bad. You know they robbed us a few minutes before or after I talked to you last time. They stuck up the Southern.

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Brown: Yeah? I heard something about it over the radio.
 Jacobs: Well we didn't lose so much, but Murphy, Abbdoo and Nathan lost a lot. Any business over there?
 Brown: Dragging along. Six hundred dollar day yesterday but got a \$350.00 bad check, think he will make it good later. I had the bookies going but I cut one off yesterday, he had too many bad customers that wouldn't pay. The other one is doing very good, he's made \$450.00 in four days. I talked to Bob yesterday and he thinks we'll do better after the races close here. Another thing is they're cooling off a bad man here name Durkesdoll (phonetic) after that, things should open up. A man could take a lay-off book and make some money around here.
 Jacobs: Looks like we're through for a long time over here. The Governor went on a rampage.
 Brown: That's sure too bad. There's a lot of money here. The town boasts they will have a million population here in 10 years. Is there anything over here I can do for you?
 Jacobs: No, I was just laying here in bed thinking about you and decided to call. Million population eh, ten years humph.
 Brown: Yeah and by the way one of these Texas Rangers by name of Glover came up to me the other day and says there's a county down here that he knows and he can fix the District Attorney and the Sheriff. He says it's a good county for slot machines. He was going out to the track then so he didn't have time to give me any more details. He's a reliable fellow though. He and his wife live out at the track, I knew them before they moved here. The fact that he's a ranger he should know what he's talking about.
 Jacobs: Yeah a ranger should know.
 Brown: I told him I thought we could handle it.
 Jacobs: Yeah we can handle it.
 Brown: I'll talk to him again tomorrow and write you what he says.
 Jacobs: All right you talk to him and write me.
 Brown: Thanks for calling, Mr. Jake, and do it again sometime.
 Jake: OK.

9:22 P.M., March 27, 1937

Incoming on No. 2115

B.M.S.

Lee Brown calling Jacobs from Houston, Texas.

Brown: Lee Brown, Mr. Jacobs, after I talked to you I ran into this ranger in the lobby. He said everything could be fixed like I told you. He and I will drive up to see you Sunday morning. I want to see you anyhow about another proposition. Otis might be interested in. A fellow from New York told me about it.

Jacobs: That's probably the same man that came by here.

Brown: No, I don't think so. He's here for the races, his name is Herman Johnson, he says there's a big hotel opening up in May in the Catskill Mountains and it ought to be a plenty good proposition. I'll see you Sunday morning.

Jacobs: All right.

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The following conversations reveal the close association between W. S. Jacobs and the family of Mayor Leo P. McLaughlin:

9:25 A.M., March 27, 1937 Outgoing on No. 2115 J.L.M.

Jacobs called 618 (Johnson Floral Co.) and ordered a nice pot of Easter lilies to be sent to the McLaughlin family sometime today. He ordered a \$5.00 plant.

12:30 P.M., March 27, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.

Miss McLaughlin: I got the surprise of my life when we got your plant this morning. I want to thank you very much for it.

Jacobs: That's all right.

Miss McLaughlin: It was very thoughtful of you.

Jacobs: I'm glad you liked it.

Miss McLaughlin: I was out riding this morning, but it was pretty cold.

Jacobs: It is cold.

Miss McLaughlin: Are you getting out soon?

Jacobs: In about the next day or so.

Miss McLaughlin: Thank you again for the plants.

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It might be stated that the horse racing season at the Oaklawn Race track park, Hot Springs, Arkansas, terminates on April 3, 1937.

P-E-N-D-I-N-G

Mr. Wilson
Mr. Tolson
Mr. Thompson
Mr. Clegg
Mr. Coffey
Mr. Dugan
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. Nichols
Mr. Quinn
Mr. Tamm
Mr. Tracy
Mr. Carson

PERSONAL AND CONFIDENTIAL

RE: B R E K I D

**RECORDED
&
INDEXED**

7-5713-92
APR 10 1937
ONE TWO

DIRECTOR

4/8/37

that this is desirable by reason of the fact that we have obtained sufficient information to show the corrupt conditions at Hot Springs, Arkansas by the officials and others and by reason of the fact that we have obtained about as much as it is possible to obtain to assist us in the harboring situation. A continued telephone tap surveillance, it is believed, will add nothing other than additional instances of the same information we have and to, a long continued telephone tap surveillance means there is always the possibility that our activities will be disclosed.

With the above in mind, Agents Madala, Sullivan, Snow and Suttler will, immediately upon discontinuance of the telephone taps, prepare the detailed report outlined in my memorandum, as to the corrupt conditions existing at Hot Springs, Arkansas. This will show, of course, the outline indicated in my memorandum, supplemented by a detailed arrangement of the information available as to each individual concerned and as to whom we have obtained information as to their activities.

Thereafter, on April 12th, 1937, Agent Laughlin will return to his headquarters at Louisville and Agent Morton will return to his headquarters at Nashville. Special Agent J. M. Jones, who has been here in contemplation of establishing some taps in connection with the houses of prostitution at Hot Springs, will return to his headquarters at Chicago on April 8th.

This supplements the information covered in my teletype to you of April 7th, 1937.

Special Agent D. P. Sullivan will be in charge of the harboring investigation, during my absence from the Little Rock Office, under the supervision of Special Agent in Charge Chapmon Fletcher.

Very truly yours,


E. J. CONNELLEY,
Inspector.

EJC:DAN
Enclosures

- Page #2 -

cc Chgo
Cint
Cleveland

Federal Bureau of Investigation

United States Department of Justice

Post Office Box #1469,
Little Rock, Arkansas,
April 7th, 1937.

MEMORANDUM FOR THE FILE:

RE: B R E K I D

In connection with the telephone taps established and maintained for sometime, on the telephone of the police department, the Mayor's office and the jail at Hot Springs, Arkansas and the home telephone of W. S. Jacobs, rather definite and conclusive information and evidence have been disclosed regarding the definite corrupt conditions, politically, at Hot Springs and the county in which Hot Springs is located. This shows rather definitely that practically all public officials in the county and city in question are corrupt and aligned with each other in these corrupt practices. It is apparent that most of the corruption concerns violations of the state laws. Some parts of the information and evidence collected will be of value to us in showing the definite associations of these various parties, persons and public officials, through their more or less joint corrupt practices and it may be of assistance for this purpose in the possible harboring charges to be considered against those who may have harbored Alvin Karpis, Harry Campbell, Sam Coker and Fred Hunter, all of whom were wanted in connection with the Bremer kidnaping and the robbery of the United States mails in the train robbery had at Garrettsville, Ohio, on November 7th, 1935. It is believed that the continued operation of these taps will only show additional instances of this general corrupt condition and will not add much available information, which can be of use to us in prosecutions had under the Federal violations, which apparently consist of the possibilities as to charging these persons with having harbored Federal fugitives. With this idea in mind, unless advised to the contrary by the Bureau, the telephone taps above referred to will be suspended and disconnected as of April 12th, 1937.

COPIES DESTROYED

11 MAR 25 1965

7-5243-92

MEMORANDUM FOR THE FILE:

4/7/37

Based upon the information collected and previously reported and as will be reported at the conclusion of the taps on the telephones in question, a more or less definite picture has been obtained of the corrupt conditions existing in the City of Hot Springs and the County of Garland, Arkansas. A report as to the corruption existing will be prepared in detail, covering all of the various officials and persons concerned. This report will be prepared by Agents Sullivan, Madala, Snow and Suttler. The other Agents working at Hot Springs - Agent Laughlin will return to his headquarters in Louisville; Agent Morton will return to his headquarters at Nashville and Agent J. M. Jones will return to his headquarters at Chicago.

In order to show the corrupt conditions at Hot Springs, Arkansas and in Garland County, based upon the information we have obtained to date, a report will be prepared as to this situation, in which will be set up the various members of the City Government of Hot Springs, including the Mayor, City Attorney, Aldermen, Police Chief, City Judge, et al, together with the members of the police department, divided as to the old personnel of the police department and the new personnel of the police department, appointed subsequent to the dismissal of the various officers involved in the alleged murder of prisoner Dickson. The same set-up will be arranged as to the various officials of the County, such as the Judge, Prosecuting Attorney, Commissioners, Sheriff, et al. There will also be set up such members of the Government of the State of Arkansas, as have come in contact with the situation, as brought to our attention during this investigation, as effecting Garland County. There will also be set out the principal racketeers and their supposed place of operation of dominance in the City. The various places where extensive gambling is being carried on will be set out, such as the Belvedere Club, Southern Club, Ohio Club, et cetera. The owners and operators of the race track will be indicated, with their set-up, particularly as to the arrangements for the policing of the track through the Sheriff's office, during the racing season. The members of the racing commission will be indicated.

MEMORANDUM FOR THE FILE:

4/7/37

Thereafter will be included the results of the most recent election there, with the picture as to the preliminaries, of particularly Mayor McLaughlin, in arranging to get everybody to vote by wholesale arrangements for poll tax receipts. This election resulted, of course, in the overwhelming election of Mayor McLaughlin and his associates.

The general picture will be set up concerning the alleged murder of prisoner Dickson, the indictment of the officers concerned with this, the various references to the treatment given this prisoner before he died, the subsequent indictment of the officers and, where available, information as to how and where these discharged officers are now located at Hot Springs.

The picture insofar as possible will be set up as to the racket operated in connection with prisoners who have money, whereby this information is furnished by Akers and others to attorneys who immediately arrange to represent these prisoners.

The information available as to the various houses of prostitution will be set up. In this connection reference should be had as to the admissions by Wakelin and Akers to E. J. Connelley, in an interview with them as to the operation of these houses. Reference should be had to the properties owned by Mayor McLaughlin, in which houses of prostitution are located (the ownership of these properties will be verified by a check of the property records in Garland County). Reference will be made particularly to the approval of prostitutes working in the various houses, from time to time, by the police.

A general picture will be drawn as to the activities of the legislative inquiry made recently as to gambling, et cetera in Hot Springs, with reference to a limited detail of the disclosures and activities, particularly

MEMORANDUM FOR THE FILE:

4/7/37

of Mayor McLaughlin:

- (1) In blocking the appointment of such a committee
- (2) Thereafter the selection of the personnel who would comprise this committee
- (3) The reference to money to be obtained from W. S. Jacobs to place in the proper place among presumably the legislators, who would have anything to do with the passage of this particular resolution for the inquiry in question.
- (4) Reference will be made to the various persons contacted by Mayor McLaughlin to block this inquiry

A picture will be drawn as to the raids conducted by the Arkansas Rangers at Hot Springs about January 15th, 1937 and the various tips received from sources such as Bransford, Ebel, Akers, et al, that these raids were to be conducted.

There will also be set up a general picture of the case involving Earl King; the release of prisoners by Akers as favors to his friends and persons in power. Reference will be had as to the disclosures of Wakelin to Grace Goldstein on December 5th, 1936, in which he advised her of the activities of Akers, the Chief of Detectives, in trying to apparently place some offense against persons staying at the house of prostitution of Grace Goldstein. Reference will be made to the sale of diamonds by Akers and the sale of guns by the police. Particular reference should be made to Agent Damron's report of January 21st, 1937, where apparently

MEMORANDUM FOR THE FILE:

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Judge Ledgerwood, himself, contacted secretively two colored members of the Grand Jury hearing the case involving the alleged murder of Dickson.

It is realized that much of the above information from a possible prosecutive standpoint is incomplete, however, it definitely shows the conditions which exist. The investigation if pursued further would only make possible, it is believed, the prosecution of the above citizens under state laws and due to the corrupt conditions existing, even if all of this information were made available with the various situations thoroughly covered, it is very doubtful if any prosecution would ever result by the State prosecutive agencies. This is borne out very definitely by the results of the legislative inquiry.

Upon the completion of the above report, Agents Madala, Sullivan and Snow will then proceed to a careful, discreet inquiry, openly and otherwise, as necessary, to determine the facts whereby, if possible, we can substantiate a harboring charge against Herbert Akers, et al.

In this connection reference is made to the undeveloped lead as set out in the report of Special Agent D. P. Sullivan, December 2nd, 1936, all of which, at this time, should be run out to a logical conclusion. In this connection contact with Grace Goldstein during the time the efforts are pending with her to obtain the return of the bonds stolen in the Garrettsville train robbery, should not be had, neither should direct inquiry be made with the prostitutes actually located in her house. Those prostitutes who have previously operated in her place, it is believed can be safely approached. Supplementing the information set out in the undeveloped lead referred to, it is believed that Alfred "Pug" Dickson, now serving a sentence in connection with charges from Hot Springs, Arkansas, should be interviewed, as to any information he may have.

MEMORANDUM FOR THE FILE:

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If it can be discreetly done, a transcript of the legislative Committee's testimony should be obtained and reviewed for any possible information. This latter, however, will only supplement or confirm the information we previously have obtained and set out in the report covering the corruption at Hot Springs.

Virginia Moore, alias "Ginger", should be contacted, particularly for information as to just what information she furnished to Herbert Akers as to Grace Goldstein being located at 602 South 3rd Street, during the period after Karpis arrived there November 10th, 1935 from the Northern District of Ohio.

Particular reference should be had to the various places where Grace Goldstein lived and where Karpis lived with her, such as 123 Palm Street, 602 South 3rd Street, 1338 South Central Avenue and a neighborhood inquiry should be made as to placing Karpis at the various places and particularly, if possible, to place Herbert Akers, former Chief of Police Wakelin and other police officers at these addresses, as it may be able to show them at these places at the time Karpis was living at the same address.

When Grace Goldstein has delivered certain confidential information she is furnishing as to the stolen bonds in the Garrettsville train robbery, we will have her give us definite information as to any and all prostitutes who have been at her place during 1935 and 1936, in order that they may be checked, particularly for the association of Wakelin and Karpis with Grace Goldstein, during the period Karpis was living with her.

Special Agent B. L. Damron, at a suitable opportunity should prepare a detailed memorandum covering his contact with Herbert Akers on October 5th, 1935 and his investigation at Dyer's Landing at this time, with particular reference to when Herbert Akers knew definitely, by some direct evidence we have, that Karpis had been at Dyer's Landing. Reference should be had

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specifically to the fact that "Dutch" Akers assisted us in efforts to locate the colored maid who worked at Dyer's Landing for Karpis, et al, as well as the supposed two Hot Springs women, who were out there, inasmuch as it is to be noted he undoubtedly knew from October 2nd, 1935, that Grace Goldstein was one of these women, by reason of him having seen her car at this place. Insofar as possible, all conversations should be recalled and the date of such conversations, with Herbert Akers, as to this situation. Reference should be had to this party Morris Loftis, as to just what instructions were left with him when he identified the picture of Karpis, as to advising us should this party return there, it being noted he did return on November 10th, 1935 with Grace and Goldstein and talked with Loftis. It may be desirable at a later date to have Agent R. C. Coulter, after examining the memorandum of Special Agent Damron as to this, supplement the information, if it is possible for him to do so.

When Morris Loftis is interviewed he should be questioned as to the situation covered in letter of July 17th, 1936 to the Director from the Little Rock Office, to the effect that he had furnished to Karpis the descriptions of Agents Coulter and Damron, when Karpis apparently talked with him on November 10th, 1935.

Reference should be had to the report of Special Agent C. A. Mahan, Little Rock, dated July 13th, 1936, wherein one L. M. Lynch at Hot Springs, referred to Herbert Akers as having cautioned him against making inquiry as to certain occupants of the home of Judge Davis in Hot Springs and as to Akers advising that he suspected Alvin Karpis had not left Hot Springs. This approach was made on March 25th, 1936.

At some subsequent date, when the investigation above indicated has progressed sufficiently, there should be considered for investigative possibilities, by the Little Rock Office, the possibilities of showing a motor theft

MEMORANDUM FOR THE FILE:

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ring at Hot Springs in which will probably be involved - "Dutch" Akers. In this connection the following quotation is had from memorandum for the Director dated May 22nd, 1936, prepared at the Bureau, with reference to Herbert "Dutch" Akers and Joe Wakelin:

"You will remember that the States of Oklahoma and Arkansas have produced numerous outlaws who have been interested in the theft of automobiles. One such case involved Elmer Mikel, in the case entitled Orville E. Ervin, National Motor Vehicle Theft Act. Mikel was a notorious car thief. In connection with the activities of 'Dutch' Akers, he furnished the following information:

Mikel stated that he has never had any direct dealings with 'Dutch' Akers, but he knows from his intimate contacts with Joe Stone, Clarence Stone, Clem Holman, Pete Traxler, Paul Ervin and W. L. (Bullet) Ebby, now in Little Rock prison, that 'Dutch' Akers has been dealing with these automobile thieves and receiving \$50 on every car brought into Hot Springs and sold there. 'Dutch' Akers works with one Burt Conners, used car dealer at Hot Springs, and helps find customers for 'hot' cars brought there. Akers personally located prospective purchasers for these stolen cars among the underworld element as well as others. Mikel further stated that he is of the opinion that about 75 per cent of the city firemen, policemen and other city employees of Hot Springs are possessors of stolen cars obtained through the above mentioned source; that while he cannot prove it, he knows that U. S. Commissioner Huff of Hot Springs is connected with Akers and operates in the same manner with some of these thieves, especially Clem Holman; and that any information known to Huff was immediately conveyed by him to Akers and to persons interested; that in fact Huff is the criminal's source of information on

MEMORANDUM FOR THE FILE:

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Government matters. Mikel stated that it would be no trick to trap Huff and Akers if undercover men were put in Hot Springs to deal with them as they, especially Akers, will go any route. Mikel further informed that thieves were instructed by Akers not to steal any local cars in Hot Springs but to take cars brought in there by tourists; that Akers, in order to keep down suspicion, turns up a thief occasionally to the Government--he turned up Paul Ervin because he would not pay off or did not have the money to pay off."

In connection with the same situation, as to the possible handling of stolen cars, there has been some reference to possibilities of this situation in logs of the telephone taps maintained. It is to be noted that it is indicated that probably various firemen and police officers presumably have stolen automobiles. It might be possible to check the registration of these cars to determine their source and the possibility that some of these have been transported interstate into Hot Springs.

With reference to the general situation at Hot Springs, Arkansas, as to the possibility of making violations under the White Slave Traffic Act, it has been indicated that Herbert Akers himself, personally calls upon all the various prostitutes, probably both for intimate association and for collection of, if anything, they make in the way of a pay-off. As to this it might be well, at a later date, to check the various prostitutes and Madams in these houses of prostitution, through some pretext. This might be possible by going into these houses and checking the Madams and inmates for the alleged harboring of some fictitious fugitive, which would permit a detailed interview with these women, as to their identity, source and possible interstate travel into Hot Springs. It might also be possible to at this time establish telephone taps on one or more of these houses, with the idea in mind of

MEMORANDUM FOR THE FILE:

4/7/37

locating some girl who had recently been transported, or possibly determining through conversations, to whom the pay-off is made.


E. J. CONNELLEY,
Inspector.

EJC:DAN

Post Office Box #1459,
Little Rock, Arkansas,
April 9th, 1937.

PERSONAL AND CONFIDENTIAL

Mr. E. J. Connelley, Inspector,
Federal Bureau of Investigation,
U. S. Department of Justice,
1130 Enquirer Building,
Cincinnati, Ohio.

RE: BREKID

Dear Sir:

at m. Karpis
Leonard Goldstein

In accordance with your instructions and in confirmation of my telephone conversation with you this morning, Grace Goldstein called at this Division on yesterday and advised me that she had gone to her home in Texas and had contacted her brother, Leonard, and that Leonard had definitely advised her that Karpis had buried some papers in a fruit jar which were evidently the bonds in question and that he, Leonard, had personally burned these papers, as instructed by his sister, Grace. I asked Grace, at this time, to definitely say whether her brother had personally burned these bonds, or whether he had someone else do so for him. She said that Leonard had informed her that he personally had destroyed the bonds and that she, knowing Leonard as she does, feels confident that he would not permit anyone else to know he had any information whatever concerning the bonds.

As stated to you on the telephone, Grace was in a highly nervous condition when she arrived at this office and informed me that she was sick of it all and that she proposed to take "Old Man" Wakelin (former Chief of Police Joe Wakelin, Hot Springs, Arkansas) over to Memphis and trade in her car and have

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APR 10 1937

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DIVISION OF INVESTIGATION
APR 10 1937

Mr. E. J. Connelley

4/9/37

the "Old Man" buy her a smaller car, after which she proposed to leave Hot Springs and no one would know of her whereabouts. I informed her that I felt this would be a very bad plan, in view of the present situation, as it would leave no one to negotiate with her brother Leonard, for the return of the bonds in question, which might prove fatal, as an investigation would naturally result and personal contact would have to be made with persons known to this Division to have been in possession of the bonds, or who had information concerning their whereabouts, since the date they were supposed to have been destroyed and that these bonds might even now be destroyed and cause her brother more embarrassment and place him in a more serious situation than he now finds himself.

Grace informed me that she had not definitely told her brother that information was in possession of the Federal Bureau of Investigation, as to the existence of these bonds, subsequent to the time they were supposed to have been destroyed, although she had told him that inquiry was being made of her concerning these bonds. I asked Grace whether it was possible that her brother did not realize the seriousness of the situation and even now felt that he was perfectly safe and for that reason had not told her the entire truth concerning the bonds. She is inclined to believe that her brother has told the entire truth and that the bonds have been destroyed, as he has said. However, from her very nervous condition I doubt that she is sincere in her statements in this regard. She said that if you so desired, she would definitely say to her brother that it was known to this Division that these bonds were in existence and that she would return to her home in Paris, Texas and again contact her brother regarding this matter.

Mr. E. J. Connelley

4/9/37

As stated to you in our conversation, I feel perfectly confident, as I know you do also, that Grace Goldstein is not telling the truth in regard to this matter. I feel that she knows a great deal more than she has told us and I am somewhat confident that it will be only a matter of time before she finds herself in such position as will necessitate her telling us all she knows regarding this matter.

I will follow this matter closely and keep you fully informed of all developments.

Very truly yours,

CHARMON FLUTCHER,
Special Agent in Charge.

CF:DAN

cc: Bureau
Cleveland
Chicago

AIR MAIL AND SPECIAL DELIVERY

- Page #3 -

FEDERAL BUREAU OF INVESTIGATION

1937.

☒ The Director
☒ Mr. Nathan
☒ Mr. Tolson
☒ Mr. Quinn
☒ Mr. Clegg
☒ Mr. Foxworth

☐ Files Section
☐ Personnel Files
☐ Chief Clerk's Office
☐ Identification Division
☐ Technical Laboratory
☐ Mechanical Section

SUPERVISORS

☒ Mr. Brandt
☒ Mr. Chambers
☒ Mr. Chipman
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☒ Mr. McIntire
☒ Mr. Pennington

☒ Mr. Hanstad
☒ Mr. Rosen
☒ Mr. Spear
☒ Mr. Vogel
☒ Mr. Wyly
☐ Mr.

* * *

☐ Miss Gandy
☐ Mrs. Fisher
☐ Mrs. Morton
☐ Mr. Ward
☐ Mr. Parsons
☐ Miss Conlon
☐ Typists - 5257

☒ See Me
☒ Send File
☐ Call me regarding this
☒ Correct
☒ Note and Return
☐ Search, serialize and route
☐ Stenographers - 5730

E. A. TAMM - 5738.

Federal Bureau of Investigation
United States Department of Justice

Post Office Box #1469,
Little Rock, Arkansas,
April 12th, 1937.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: B R E K I D

Dear Sir:

In accordance with advice furnished the Bureau in letter from Inspector Connelley, dated April 8th, 1937, please be advised that telephone taps on telephones #123, #446 and #648, listed to the Hot Springs Police Department and the Mayor's Office, were discontinued at approximately 2:30 P. M. on this date.

I am advised by Special Agent D. P. Sullivan that all evidence of these taps has now been removed.

Very truly yours,

Chapman Fletcher
CHAPMAN FLETCHER,
Special Agent in Charge.

CF:DAN

cc: Mr. E. J. Connelley, Newark, N. J.
Cincinnati
Cleveland
Chicago

AIR MAIL

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FEDERAL BUREAU OF INVESTIGATION	
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62-42152-31
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Post Office Box #1469,
Little Rock, Arkansas,
April 12th, 1937.

PERSONAL AND CONFIDENTIAL

Mr. E. J. Connelley, Inspector,
Federal Bureau of Investigation,
U. S. Department of Justice,
936 Raymond-Commerce Building,
Newark, New Jersey.

RE: BREKID

Dear Sir:

With further reference to my letter of April 9th, 1937, you are advised that I communicated with Grace Goldstein by telephone and informed her that it would be satisfactory for her to inform her brother, Leonard Grayson, that this Bureau was making inquiry concerning the bonds stolen in the Garrettsville mail robbery and that it was definitely known to this Bureau that these bonds were in existence subsequent to the time they were supposed to have been destroyed by Leonard Grayson.

Grace Goldstein called at this office today and informed me that she has gotten in touch with her brother, Leonard, who was in Hot Springs, at her request, on Friday evening, April 9th, 1937, at which time Leonard informed her that the fruit, as previously mentioned, which had been buried by Karpis on the farm in Texas, did not contain any papers of value, particularly a brown envelope, such as has been described previously by Grace Goldstein.

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U. S. DEPARTMENT OF JUSTICE

ONE

FILE

Mr. E. J. Connelley, Inspector

4/12/37

Leonard, at this time, according to Grace Goldstein, stated that on one of the occasions when she and Karpis, who was known to Leonard as "Slim", visited the farm in Texas, that during a temporary absence of Grace, Karpis had thrown in the open fireplace a brown envelope and at the time he did so he said, "There goes \$15,000.00 that is not any good to anybody".

Grace informs me that Leonard has told her that at no time did he have these bonds in his possession, or did he have any information concerning the bonds, other than as stated above.

During the course of this conversation, I did not make known to Grace any of the facts concerning the information in our possession, but feel that at some later date and during the course of any investigation you may contemplate concerning these bonds, that if additional information is secured, she would then bring pressure to bear upon her brother to tell her the entire truth. I cannot help but feel that Leonard would not keep anything from Grace and that if he has handled these bonds he has told her so and that there is a possibility that he is in such a position, at the present time, that he is unable to make delivery of them, therefore, he, counseled by his sister Grace, feels that the best thing to do is to stick by their story that he has never handled the bonds.

During the course of my conversation with Grace today, we spoke casually of her association with former Chief of Police Joe Wakelin at Hot Springs and during our conference she said that on several occasions she had remained away from Hot Springs overnight with Chief Wakelin. On one occasion to which she

Mr. E. J. Connelley, Inspector

4/12/37

referred they had gone to Tulsa and Oklahoma City. I mention this as you may possibly want to give this consideration during the course of the anticipated investigation at Hot Springs, when you interview Wakelin.

Very truly yours,

CHAPMAN FLATCHER,
Special Agent in Charge.

CF:DAN

cc: Bureau
Cleveland
Cincinnati
Chicago

AIR MAIL AND SPECIAL DELIVERY

- Page #3 -

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

LMC:TD

March 15, 1937

MEMORANDUM FOR MR. TAMM

The following is a resume of pertinent information obtained from various telephone taps at Hot Springs, Arkansas from February 11 until February 23, 1937. The taps on the phones of the police and the Mayor were temporarily removed on February 10, 1937 because of activities of telephone company employees and were not reinstated until February 24, 1937 because of the unrest caused by the legislative investigation which at that time was being made at Hot Springs.

The following telephone conversation took place on February 13, 1937, incoming on No. 2115 (Jacobs) -

Jacobs Hello.
Mayor Earl (Judge Earl Witt) just called me and said they arrested all the boys that were booking yesterday. I reckon we better stop all booking until this thing is over.
Jacobs All rightie, thanks.
Mayor All right.

Outgoing on No. 2115 (Jacobs) -

Jacobs (Called 210 (Ohio Cigar Store). Is Mr. Young there?
Man No
Jacobs Is Brownie there?
Man Yes (He calls Brownie to phone)
Brownie All right.
Jacobs Brownie, they called me up and told me we'd have to quit booking, so don't book any in the store today, if you see any bets take 'em across to a hotel room, you know.
Brownie OK, thanks, Mr. Jacobs.

The following telephone conversation took place on February 14, 1937, outgoing No. 2115 (Jacobs) -

McLaughlin placed long distance call to Crip Hall (phonetic),
(Mayor) Little Rock, Ark. (Secretary of State)
McLaughlin Crip (phonetic) - Leo - you might see that fellow we got two boys and one in the Senate that will vote any way he wants and they are here for him.

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11 MAR 25 1965

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

TOLSON

Nichols

TAMM

ONE

3-15-37

Hall Now, Leo, I tell you, I am laying out of that fight. He's going to lose that. You want me to tell him in the morning?

McLaughlin Yes, you can tell him they are for his use - they will go any way he wants them.

Hall All right. I'll tell him in the morning. ****

The following telephone conversation took place on February 17, 1937, outgoing on 2115 (Jacobs) -

Leo Yeah, it's all right, go ahead.

Farris Well, Jake said you were really in with Governor Bailey, and through him you were going to get some of the representatives.

Leo You know damn well I didn't make any such statement.

Farris I know it, and it made me mad.

Leo The whole thing is this Ed. The investigation really started out on Earl Witt, and before they got through they were investigating me as much as they were Earl. The only ones that know a damn thing about me are those two preachers. You know about my divorce. That's why I hate to come over to Little Rock. Every time I do those two damn preachers "tail" me, they know every where I go, every room I'm in.

Farris I know there's a lot of bull---- going around Leo, that's why I've kept quiet to everybody except Witt about what Jake said. Now listen, I'll tell you something else Jake told me. I haven't told anybody this, and am not, except you. He said he heard you talking to Carl Bailey over the phone, he said he was on an upstairs phone listening. I'm not going to tell anybody that.

Leo Please don't, Jake's crazy as hell. He ought to quit talking like that, that'll put me in the middle sure enough..

The above conversation is between Mayor ~~McLaughlin~~ and Ed ~~Farris~~, who is Secretary of the Racing Commission for the State of ~~Arkansas~~, showing a possible connection between ~~McLaughlin~~ and Governor ~~Bailey~~.

The following conversation between Jacobs and Mayor McLaughlin refers to the raids on the gambling houses at Hot Springs made apparently under the supervision of Thompson, who is in the State Legislature and indicates that by trickery they obtained a receipt from Thompson in the amount of \$7,000.00 for funds which apparently were not there. Incoming on 2115 (Jacobs),

3-15-37

February 19, 1937 -

Jacobs Listen, we've got a receipt from Thompson for \$7,000 in currency and \$3,500 in checks for checking the Ohio's stuff. Johnny was checking up with the Revenue Department today and when he went over to get the stuff they could not produce the \$7,000 in currency or the \$3,500 in checks.

Leo Have you got the receipt?

Jake Sure. Thompson gave a receipt to Johnny.

Leo We ought to bring that to light.

Jacobs Do you want the receipt.

Leo Yes

Jacobs OK, I'll send it over in the morning

Leo What's been done about it?

Jacobs Johnny taken it up with the Revenue Department.

Leo Why did Thompson give him a receipt for \$7,000?

Jacobs I dunno, but I was sitting by him and seen him write out the receipt.

Leo Do you mean "Tink" actually gave Thompson \$7000 in currency?

Jacobs Well, Thompson gave him a receipt for it anyhow. You know there wasn't that much around.

Leo Oh! I see. Well?

Jacobs You know Tink, he had a box.

Leo Well, howdit happen?

Jacobs Well, Johnny handed him the box and told him there was \$7000 in it in cash and he give him a receipt for it.

Leo Well, keep that receipt, we gonna make the son-uv-uh-biches pay that money back.

Jacobs OK, I'll see yuh.

(The conversation as to the receipt given Johnny Morris by Representative Thompson is to be noted, apparently the same being a trick to embarrass Mr. Thompson).

Incoming on 2115 (Jacobs) 7:28 P.M., February 19, 1937 -

Jacobs Hello

Young Mr. Jacobs - Tink, you call me?

Jacobs Yeah, you got that receipt from Thompson for \$7000.00?

Young No sir, Johnny's got it.

Jacobs Would you like to collect on it?

Young Yes, sir.

Jacobs Well, Leo is going to collect it for us.

Young Good, I'm going to get 5% interest on the money besides.

(Both laugh)

3-15-37

Young Does Leo want to take it on a commission?
Jacobs Yeah. He's probably made enough though to collect it without any commission.
Young Well, I wish I could collect it. We've got the receipt all right. (Laughs)
Jacobs Yeah, and I was right there when you give him the box, but I turned around so didn't see him count it. (Laughs)
Young (Laughs) Pretty good — (?) (Sounded like he said gyp, or trick).
Jacobs Well, we'll worry them plenty.
Young I'll call Johnny about the receipt.
Jacobs All right.

On February 10, 1937 the following incoming call was made on #2115 (Jacobs), which may have a bearing on what follows:

11:27 A.M. incoming on 2115 -

Roscoe Did you want me?
Jacobs Yes. Have \$750.00 ready. I may come down and get it or have you take it somewhere.
Roscoe OK.

11:29 A.M., incoming on 2115 -

Mayor Did you want me?
Jacobs Yes - Are you going to see me tonight?
Mayor Yes.
Jacobs OK, that is all.

On February 20, 1937 an incoming call, as follows, was made on 2115 (Jacobs) - which may have some bearing to the above - 9:46 A.M.

Jacobs Hello
Leo Whatdeyasay?
Jacobs Nothing much, what's the news?
Leo Well, quite a few of the boys were in town last night. Several of them are around here now. You know Monday is a legal holiday. The banks and everything else will be closed, so you better get me three C's up to the house right away. I may not want it, but want to be in a position, you know.
Jacobs Yeah, is that all you need?
Leo Yes, I may not need that but in case I do, you know, just like that seven I needed.
Jacobs I'll get it now, got a boy you can send over?
Leo Yeah, maybe 30 or 40 minutes.

3-15-37

Jacobs Well, is Washington's Birthday gonna effect the boys over ther.
Leo No, they'll work right on.
Jacobs How do things look?
Leo I'm getting things in good shape for you. I'm trying to
handle it just like you would want me to.
Jacobs That's fine, well you send one of your boys over.

(It will be noted from the log as to February 10, 1937 that Jacobs had one of his men get \$700 ready and it appears this is the money referred to by McLaughlin, and was paid to someone as a bribe.)

The following outgoing call on 2115 (Jacobs) made February 20, 1937 pertains further to the receipt obtained from Mr. Thompson concerning the \$7,000.00 above mentioned: 7:08 P.M.

Jacobs Jacobs called 210 (Ohio Cigar Store) and asked for Mr. Young.
Young What kind of fellows hang around your place?
Jacobs All kinds, why?
Jacobs Well, one of them took me out and got me drunk - Do you
think you'll get your \$7000 back?
Young Ha Ha I should - what's doing about that?
Jacobs Well, I'm waiting for some folks to decide.
Young I should get it.
Jacobs Yes, I saw Nichols pick it up.
Young And I got a receipt.
Jacobs I told Ebel to wait on that - I told Rogers they took 7000
in cash and 3500 checks.
Young That's correct. Ha! Ha!
Jacobs It might be good publicity.
Young Well, it won't look good if they have to make good the
\$7,000.
Jacobs How's business?
Young Plenty of people but very little money, we could do better
if we wanted to, but I wonder if it's advisable.
Jacobs No. I'll see what can be done, and will call you if it's
OK for Monday.

Respectfully,

L.M. Chipman
L.M. Chipman

Federal Bureau of Investigation
United States Department of Justice

Post Office Box #1469,
Little Rock, Arkansas,
April 7th, 1937.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: BREKID

Dear Sir:

With reference to my letter of this same date concerning the possible recovery of certain bonds taken in the Garretttsville train robbery on November 7th, 1935 and which Karpis left in the possession of Grace Goldstein, a further interview was had with Informant Grace Goldstein in an effort to associate Herbert Akers, Chief of Detectives at Hot Springs, Arkansas and former Chief of Police Wakelin, with some direct act which would verify the harboring of Alvin Karpis, Harry Campbell and Fred Hunter. Reference should be had to report of Special Agent D. P. Sullivan, Little Rock, Arkansas, dated December 2nd, 1936, as well as the report of Special Agent R. C. Coulter, Little Rock, Arkansas, dated October 17th, 1935, concerning the incident at Dyer's Landing, in the vicinity of Hot Springs, wherein on the afternoon of October 5th, 1935, Herbert Akers advised the Bureau of certain suspicious persons located at Dyer's Landing and as to which he had, on October 2nd, in the morning thereof, checked at Dyer's Landing two Hudson Coupes, obtaining the license numbers, which he subsequently checked through the registration Bureau in Ohio and reported on the one which was issued to E. F. Parker, who was in reality Alvin Karpis. It is my definite impression that Akers, in this instance, knew who these parties were and after definitely determining that they had left this vicinity, furnished us with the information in order to furnish himself with an alibi in connection with any subsequent occurrences.

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MAR 25 1965

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Dawsey
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. Nichols
Mr. Quinn
Mr. Tamm
Mr. Tracy
Miss Gandy

7-576-3-97

DIRECTOR

4/7/37

Grace Goldstein advises that Karpis and Campbell probably left Dyer's Landing the afternoon of about October 2nd, 1935; that either that same night or the previous night they had had a big party at her place in Hot Springs; that all were drunk; that in fact, Campbell was drunk when he left her. Campbell and Karpis left together in one of the Hudson Coupes; that the time Karpis and Campbell had come to Hot Springs on this particular occasion was when Karpis brought her the Great Dane dog from Ohio. Freddie Hunter and Sam Coker, the latter being known to her as Tommie Coleman, stayed at her house, drinking until the morning of October 5th, 1935, when they also left in the other Hudson Coupe. Subsequent to October 5th, 1935, Hunter, previous to the date of November 10th, 1935, had been back to Hot Springs and called upon her and visited with Connie Morris, he stopping part of the time at the Marquette Hotel; that this was the first occasion she believes that Hunter knew that she, Grace Goldstein, knew definitely the identity of Alvin Karpis. This was prior to the robbery of the mail train at Garrettsville, Ohio. During the period of October 5th to November 10th, 1935, she had learned of the search of the place at Dyer's Landing by Agents of this Bureau and in this connection she advises that at about the time of the occurrences, October 5th or 6th, 1935, either Wakelin or Akers advised her that they had been out driving in the vicinity of the place at Dyer's Landing and had noted the automobiles of the persons stopping at this place and among the automobiles there at the time they checked these cars, was her green Chevrolet Coupe. They definitely advised her they had seen her automobile at this place. She, however, will not say which of the two advised her as to this information, claiming that she does not recall. She advised that she learned from the papers also, that this place had been checked. It is noted, in the past that there has been referred to a news dispatch of October 12th, 1935, referring to the raid in an effort to apprehend Karpis in the vicinity of Hot Springs, Arkansas. Grace Goldstein advises that either

DIRECTOR

4/7/37

by advice from Hunter when he called on two occasions, or through a note or letter sent to her by Alvin Karpis, that she and Connie were to meet them at the airport in Hot Springs on November 9th, 1935; that in fact, she and Connie Morris were there at the airfield practically all day November 9th, there being a large number of people around the airport, who were shooting at targets; that she was there with her green Chevrolet Coupe. When these parties did not arrive they returned home and, as will be noted, Karpis and Hunter arrived by plane piloted by John Zetzer on November 10th, 1935 and thereafter when brought into town by the pilot Stover, they contacted her and Connie Morris at Hot Springs. At this time she advised Karpis of the alleged check made of their former residence at Dyer's Landing. She and Karpis then drove out to Dyer's Landing and talked to Morris Loftis as to just what had occurred and Loftis at that time told her that the Agents had checked this place a very short time after she had been out there in the morning to clean the place up, on October 5th, 1935. It is to be noted that this is subsequent to the time that pictures had been shown to Loftis and he had identified Karpis' picture. Loftis never made any effort to communicate this information to us, that Karpis subsequently called there as above noted. At this time Grace Goldstein advised she did not recall stating previously that Akers had advised her of the finding of her fingerprint on the mirror in the house and says now she is not certain as to who told her this. It is to be noted that Akers and Cecil Brock were aware of the efforts of the Agents to obtain latent prints from the cottage at Dyer's Landing. On November 10th, 1935, when Karpis and Hunter returned, Grace Goldstein was then living at 602 South 3rd Street and she says that Akers knew where she was living in Hot Springs, as she understands that Virginia Moore, alias "Ginger", advised Akers of the fact that she, Grace Goldstein, was living at this address and that she was residing at this address with Connie Morris, Karpis and Hunter. Subsequent to the above, sometime before Christmas 1935, she moved to Finchell Avenue, where they all four continued to live until

DIRECTOR

4/7/37


about February 12th, 1936, when they moved to the Fairchild Place on the Malvern Road. This is also known as the Woodcock place and is the place which was raided on March 30th, 1936; that these places she lived in were furnished places and that she moved out to the Fairchild Place her radio, victrola, clothing, et cetera. This place is located on the road and in the close vicinity of the place of Herbert Akers, known as "Akers' Acres"; that on numerous occasions while she was living at this address with Karpis from February 12th, 1936 to March 26th, 1936, she would meet Herbert Akers on the Malvern Road, as he went out each morning to feed the chickens and she is satisfied that he was fully aware of the fact that she was living at the Fairchild Place. In December she traded in her green Chevrolet Coupe and obtained the green Buick Coupe, which she still has and which was purchased for her by Karpis. The last part of January, Karpis obtained the maroon-colored Buick Sedan, which was subsequently used by Karpis, particularly for long trips. During most of the time Karpis was back in Hot Springs, from November 10th, 1935 to March 26th, 1936, he used her green Buick Coupe for traveling about; that she, Grace Goldstein, is satisfied Akers saw her with Karpis on numerous occasions in this car and undoubtedly saw Karpis at various times in the automobile, as he drove about in Hot Springs; that he came to the Hatterie Hotel, where she was operating her house of prostitution in this car; that in fact, on one occasion she and Karpis, in this car, drove up where Akers was on the street, sufficiently close for her to have reached out and touched him. Notwithstanding this situation, however, she insists that she cannot say, based on an actual statement of Akers' himself, that he actually knew who Karpis was, that is, that Karpis was Karpis and was the party with her on these occasions. She was unable to offer any satisfactory explanation of why, after Akers had undoubtedly known that Karpis had been at Dyer's Landing October 2nd, 1935 and that she had been there with him, he did not associate her with Karpis, with the actual identity of Karpis being known during the period of November 10th, 1935 to March 26th, 1936. As to this Grace Goldstein advises that she believes probably Akers

DIRECTOR

4/7/37

was afraid to turn Karpis in for reason that he did not want
Grace Goldstein to know that he had done this.

Very truly yours,


E. J. CONNELLEY,
Inspector.

EJC:DAN

cc: Cleveland
Cincinnati
Chicago

**Federal Bureau of Investigation
United States Department of Justice**

Post Office Box #1469,
Little Rock, Arkansas,
April 7th, 1937.

PERSONAL AND CONFIDENTIAL

Mr. Tolson	
Mr. Baughman	
Mr. Clegg	
Mr. Coffey	
Mr. Dawsey	
Mr. Egan	
Mr. Foxworth	
Mr. Glavin	
Mr. Harbo	
Mr. Joseph	
Mr. Lester	
Mr. Nichols	
Mr. Quinn	
Mr. Schilder	
Mr. Tamm	
Mr. Tracy	
Miss Gandy	

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: BREKID

Dear Sir:

On April 6th, 1937, Grace Goldstein, [REDACTED] was interviewed at the Little Rock Bureau office by me.

This interview was had, particularly for the purpose, if possible, of securing information as to the Treasury Bonds stolen in the mail train robbery at Garrettsville, Ohio, on November 7th, 1935. In this connection reference should be made to reports of the San Antonio office entitled: ROBERT HUDSON; ET AL., NATIONAL STOLEN PROPERTY ACT. These reports concern the efforts of a party, presumably Robert Hudson, to dispose of \$6,000.00 of these Treasury Bonds through Attorney W. C. Wofford at Taylor, Texas on September 4th and 21st, 1936.

Reference has been made in the file, as per letter of the Little Rock Office to the Cleveland office, under date of March 5th, 1937, that Grace Goldstein was at that time in Cleveland, Ohio and had been sent \$100.00. Informant Goldstein advises me that Connie Morris, the paramour of Fred Hunter, at the time Hunter, Karpis, Connie Morris and Grace Goldstein were associating together, received a special delivery letter from Fred Hunter, which he had secretly gotten out of the jail at Cleveland, Ohio, where he is being held for trial in connection with the Garrettsville train robbery, the trial starting April 7th.

RECORDED
&
INDEXED.

7-576-3-98

APR 15 1937
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ONE

48-1087-89
100-1087-89
100-1087-89

DIRECTOR

4/7/37

1937, at Cleveland; that this letter directed that she, Grace, come to Cleveland and confer with the attorney who was representing Hunter in this trial, the attorney being James H. Murray, located in the Engineer's Building in Cleveland, Ohio. This attorney had a note from Hunter advising Grace Goldstein to turn over to Murray certain bonds stolen in the Garrettsville train robbery, which he, Hunter, believed Grace Goldstein had in her possession, or knew the location of. James H. Murray, the attorney, advised her that Hunter was arranging to turn over these bonds to him and that these bonds were to be his, Murray's, fee for representing Hunter in the trial in question. In proceeding to Cleveland, Ohio, on this trip, in her Buick Coupe, at Mansfield, Ohio, at a street intersection she ran over a small child, breaking the leg of this child and thereafter, she was held in jail in Mansfield, Ohio, overnight, until the following evening by Chief of Police Bates. Bates communicated with Chief of Police Wakelin by telephone at Hot Springs, Arkansas and he vouched for Grace Goldstein and she was released. She, of course, was identified by her automobile registration and poll tax receipt in her possession at the time she was picked up. She was held from 7:30 one night until late the following night, when she then drove on into Cleveland, Ohio and registered in at the Hollenden Hotel. After her arrival in Cleveland, she conferred with Attorney James H. Murray, as previously indicated above, as to these bonds. Grace Goldstein advised that she very definitely told Attorney Murray that she knew nothing about any bonds of any kind and, therefore, could furnish him no information. She insisted that Murray stated he intended to accept these bonds as his fee for representing Hunter at Cleveland.

This woman was adroitly interviewed with the inference that apparently her brother, Leonard Grayson at Paris, Texas, had not destroyed the bonds from the Garrettsville train robbery and that in fact, he with others had made efforts to dispose of these bonds in Texas. Without disclosing to her where and how they had tried to dispose of these bonds, she was convinced that we definitely knew that

DIRECTOR

4/7/37

her brother put these bonds into circulation, or had attempted to do so and we were aware of the identity of at least \$6,000.00 of these bonds and that they had come from her brother into the possession of the party who was trying to dispose of these bonds; that action against persons responsible for the possession of these bonds was being deferred until a certain confidential informant could identify to us the location of the party who had actually disposed of them and who apparently had received them from the Grayson boy, who has two small children. This was made upon the assumption that Leonard Grayson at Paris, with whom Karpis and Grace visited at various times during the time they were associated together, was the one who had possession of the bonds at the time Karpis was apprehended. This proved to be the circumstances, as Grace Goldstein then admitted that she had only advised her brother to destroy all papers and things left by Karpis and that she assumed he had destroyed the bonds in question; that as a matter of fact she did not see them destroyed; that she had not destroyed them, which, of course, is contrary to the information she previously had given to Special Agent in Charge Chapmon Fletcher, as related in his letter of November 6th, 1936.

This woman was advised that, of course, we could promise them nothing in the way of immunity from prosecution, but that if these bonds were returned this would represent a savings to the Government of the amount of the bonds and at least would be a talking argument in favor of the person who was responsible for turning them back to the Government. In this connection, Grace Goldstein advised me that these bonds were contained in a brown envelope, according to the statement of Karpis to her and she denied that she had actually seen the bonds themselves; that there was \$12,000.00 in bonds in this package when it was presumably destroyed; that Karpis for a considerable period of time had allowed these to remain in her automobile. Karpis told her that these bonds belonged to Hunter. All of these various things were left at the Grayson home in Paris, Texas and she insists that she instructed her brother to destroy, by burning, all of the various papers and things left behind by Karpis, after

DIRECTOR

4/7/37

the time Karpis was apprehended and at about the time she returned to us, during the previous summer, the two machine guns which had been left by Alvin Karpis. She was definitely given to understand that these bonds were still in existence and the destruction of them at this time would further enhance the possibilities of definite prosecution of all persons concerned. Her three brothers are, namely, Leonard Grayson, who has two children and lives with his wife at Route #6, Paris, Texas - this is the brother who was presumably to have destroyed the bonds at her request, together with all other papers - Leonard Grayson is twenty-five years old; Laughton Grayson, the other brother, is thirty-eight years old, married, no children; Bryan Grayson, another brother, is thirty-three years of age, married and lives with his wife and four children in the Walnut Hills Section a few miles from where Leonard Grayson lives.

The Informant, Grace Goldstein, advises that she could not understand her brother, Leonard Grayson, doing a thing of this kind; that he had always been honest, that in fact, one of her uncles is President of one of the banks at Paris, Texas. This woman is thoroughly frightened as to the possibilities concerning her relatives and definitely agreed that she would immediately proceed to Paris, Texas and get these bonds and return them to us; that if these bonds have passed into the hands of a third party she would learn who this is and caution her brother against contacting the party in question until we had the opportunity first to interview him and request him to surrender the bonds, in order that the third party might not become frightened and destroy them. She insisted that if these bonds are still in existence she can and will prevail upon her brother to surrender them and not destroy them.

Careful reference was had to such parties as B. R. Shirley, Palestine, Texas, O. R. Ratley and his wife, Mildred Ratley and Sterling L. Jones, as well as this party "Robert", preliminary to the above interview, and she could not place any of these persons. This was carried on in such a manner as she definitely did not get the names

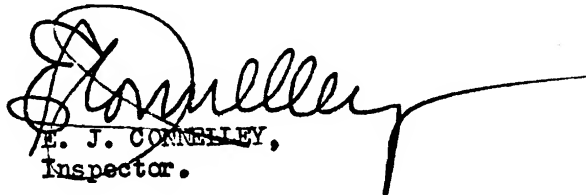
DIRECTOR

4/7/37

for future reference, but she has sufficient information to make the brother in question definitely believe that we have him definitely associated with the bonds and are deferring action as to him only until such time as we locate the person who actually tried to negotiate these bonds. She will consider the possibility that the brother may have effected a transfer of all of these bonds at this time into the hands of possibly innocent third persons. It is believed that she will make a sincere effort to locate these bonds and have them surrendered to the Government.

She advised that she will return with these bonds to Little Rock, if she can obtain them and if I am not available she will confer with Special Agent in Charge Chapmon Fletcher. It is to be noted that no promise of immunity has been offered to obtain the surrender of these bonds and if the Bureau has any instructions as to what action Special Agent in Charge Chapmon Fletcher should take, as to this, these instructions should be immediately communicated to him, as it is believed she will return with the bonds, if obtainable, in the next two or three days.

Very truly yours,


E. J. CONNELLEY,
Inspector.

EJC:DAN

cc: Cleveland
Cincinnati
Chicago

DECODED COPY

TELETYPE
APR 8 1937

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Dawsey
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. Nichols
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

FBI LITTLE ROCK APRIL 7, 1937 10-55 PM DAN

DIRECTOR

PHONE. BREKID. HAVE GONE OVER SITUATION HOT SPRINGS AND BELIEVE WE HAVE

OBTAINED SUFFICIENT NOW TO SHOW THE CORRUPT CONDITION HOT SPRINGS OF OFFICIALS

BACKETEERS ETAL AND ADDITIONAL INFORMATION FROM TAP WILL ONLY REPETITION OF SIMILAR

PRACTICES. WITH THIS IDEA IN MIND UNLESS ADVISED TO CONTRARY BY BUREAU ALL

TELEPHONE TAPS WILL BE DISCONTINUED APRIL TWELVE. THEREAFTER AGENTS SULLIVAN

MADALA SNOW AND SUTTLER WILL PREPARE DETAILED SUMMARY OF CORRUPTION HOT SPRINGS
NUMEROUS

SITUATIONS AS TO STATE VIOLATIONS I BELIEVE WILL BE SUFFICIENT FOR OUR PURPOSE

WITHOUT FURTHER INQUIRY. THE DATA AVAILABLE WILL PRESENT A GOOD PICTURE OF THE

SITUATION. HAVE PREPARED WRITTEN INSTRUCTIONS FOR NECESSARY REGULAR INQUIRY

THEN AS TO HARBORING SITUATION WHICH WILL THEN BE COVERED AS TO HARBORING KARPIS

ETAL. AGENTS SULLIVAN MADALA SNOW AND SUTTLER WILL COVER THESE LEADS WHICH ARE

RATHER EXTENSIVE. AGENT J M JONES WILL RETURN CHICAGO HEADQUARTERS APRIL EIGHT.

AGENTS LAUGHLIN AND MORTON WILL RETURN RESPECTIVE HEADQUARTERS LOUISVILLE AND

NASHVILLE APRIL TWELVE. AIRMAIL LETTER APRIL EIGHT TO BUREAU WILL COVER IN DETAIL

PLAN OF REPORT ABOVE REFERRED TO AND OPEN DISCREET INQUIRY TO FOLLOW.

CONFIDENTIAL INFORMANT GRACE GOLDSTEIN ADVISES MARCH FIVE SHE UPON LETTER RECEIVED

BY CONNIE MORRIS FROM FRED HUNTER HELP PENDING TRIAL CLEVELAND GARRETTSVILLE TRAIN

ROBBERY PROCEEDED CLEVELAND OHIO. SHE CONTACTED JAMES H MURRAY ENGINEERS BUILDING

CLEVELAND ATTORNEY FOR FRED HUNTER WHO NOTE FROM HUNTER FOR HER TO DELIVER TO

MURRAY THE BONDS FROM GARRETTSVILLE ROBBERY SHE SUPPOSEDLY HAD AS HIS FEE. MURRAY

Copy to Mr. T

Wire Tapping
Confidential Informant

RECORDED COPY FILED IN 62-12114-1065
66-2542-2868

RECORDED & INDEXED

7-576-3-9

APR 12 1937

U.S. DEPARTMENT OF JUSTICE

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U.S. DEPARTMENT OF JUSTICE

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U.S. DEPARTMENT OF JUSTICE

RECEIVED

PAGE TWO

APPARENTLY KNEW THE SOURCE OF THE BONDS. SHE ADVISE MURRAY SHE HAD NO KNOWLEDGE OF ANY BONDS AND THEN RETURNED TO HOT SPRINGS. CONFIDENTIAL INFORMANT GOLDSTEIN WAS MADE TO BELIEVE WE KNEW HER BROTHER LEONARD GRAYSON PARIS HAD THESE BONDS AND TRIED TO DISPOSE OF THEM. GOLDSTEIN ADMITTED SHE HAD NOT PERSONALLY DESTROYED THE BONDS WHICH KARPIS SAID TOTALED TWELVE THOUSAND DOLLARS BUT HAD ONLY INSTRUCTED THE BROTHER TO DESTROY SAME AND ALL OTHER PAPERS LEFT BY KARPIS. BONDS PROBABLY STILL IN EXISTENCE AND GOLDSTEIN PROCEEDED PARIS TODAY AND INSISTS WILL OBTAIN BONDS FOR RETURN IF STILL IN EXISTENCE. SHE IS THOROUGHLY FRIGHTENED AS TO PROBABLE CONSEQUENCES TO ANYONE INVOLVED EVEN IF BONDS DESTROYED. SHE BELIEVES ONLY POSSIBLE CHANCE FOR CONSIDERATION WILL BE IF BONDS RETURNED AND LOSS TO GOVERNMENT AVERTED. SHE HAS BEEN PROMISED NOTHING BUT TOLD SHE MUST DELIVER. IT IS BELIEVED SHE WILL MAKE SINCERE EFFORT TO OBTAIN THE BONDS. SHE WILL SEE ME OR SAC FLETCHER WHEN SHE RETURNS. GOLDSTEIN ALSO FURNISHES INFORMATION SHOWING ARNERS MUST HAVE KNOWN SHE AND KARPIS ETAL WERE IN HOT SPRINGS NOVEMBER TENTH THIRTY FIVE TO MARCH TWENTY SIXTH THIRTY SIX AS HE SAW HERE ON MALGERS ROAD A NUMBER OF MORNINGS RETURNING FROM FAIRCHILD OR WOODCOCK HOME WHERE ALL LOCATED KARPIS HUNTER GOLDSTEIN AND CONNIE MORRIS ALSO SAW KARPIS IN HER CAR WITH HER AND ALONE. ALSO AKERS OR WAKELIN TOLD HER OF SEEING HER AUTOMOBILE AT DYERS LANDING OCTOBER SECOND THIRTY FIVE WHEN THEY CHECKED TWO HUDSON COUPES USED BY KARPIS AND CAMPBELL. NEITHER EVER DIVULGED THIS TO US. SHE CANNOT GIVE DEFINITE STATEMENT ALONG THESE LINES BUT SHOWS CIRCUMSTANCES WHICH WOULD INDICATE AKERS PROBABLY KNEW OF WHO PARTY KARPIS WAS WITH HER. LETTERS FOLLOW COVERING THIS IN DETAIL.

CONNELLEY

END

OK FBI WASHINGTON DC JW.

Federal Bureau of Investigation

United States Department of Justice
Post Office Box 1469,
Little Rock, Arkansas,
April 13, 1937.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: BREKID.

Dear Sir:

You are advised that at 5:55 P.M., on April 12, 1937 the telephone tap on telephone number 2115, the unlisted telephone of W. S. Jacobs at 116 Cedar Street, Hot Springs, Arkansas, was disconnected.

As I have advised the Bureau in my letter dated April 12, 1937 the taps on telephones 123, 446 and 648, listed to the Police Department and Mayor's office at Hot Springs, were disconnected at 2:30 P.M., April 12, 1937. All evidence that might indicate that taps had been in operation on these telephones was removed. All Bureau property at the plants located at 207 Laurel Street and 205 1/2 Cedar Street, was removed. Special Agents B. M. Suttler, H. A. Snow, John L. Madala and D. P. Sullivan are now at the Little Rock Field Office preparing the comprehensive summary of information obtained over the above telephone taps.

Very truly yours,

Chapman Fletcher
CHAPMAN FLETCHER,
Special Agent in Charge.

DPS:cpw
7-2
cc - Cincinnati
Cleveland
Mr. Connelley,
Newark, N. J.

RECORDED
&
INDEXED.

7-576-3-100	
FEDERAL BUREAU OF INVESTIGATION	
APR 16 1937 P.M.	
U.S. DEPARTMENT OF JUSTICE	
ONE 6	FILE

PARTIALLY
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THIS SERIAL ONLY
7/19/57 23

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Dawsey
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. Nichols
Mr. Quinn
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

RECORDED COPY FILED IN 62-12114-1066

Post Office Box 1459,
Little Rock, Arkansas,
April 18, 1937.

Special Agent in Charge,
Chicago, Illinois.

Re: BREKID.

Dear Sir:

You are requested to forward to the Little Rock Field
Division at your earliest convenience, copies of the following photo-
graphs:

5 photographs of Frank Nash
5 " " Francis Keating
5 " " Thomas Holden
5 " " Harley Bailey
5 " " Verna Miller
5 " " Herbert Farmer
5 " " Esther Farmer
5 " " George "Burrhead" Keady

It is suggested that the photographs of Keating, Holden and
Bailey be copies of those taken after their arrest at Kansas City
on July 6, 1932.

It is requested that copies as indicated below be made of
the following photographs, copies of which are being forwarded to the
Chicago office with this letter:

5 photographs of Winona Burdette
5 " " Harry Campbell (shirtsleeves)
5 " " Harry Campbell (taken in sweater)
5 " " Fred Hunter (shirtsleeves)
5 " " Mrs. Milton Lett
5 " " Paula Harmon (#45238)
5 " " Alvin Karpis (#3003)
5 combination strip photos of Grace Goldstein and
Connie Morris
5 bust photographs of Doc Barker
3 photographs of Benson Groves
5 " " Fred Barker
5 bust photographs of Fred Barker in shirtsleeves
5 stand-up photographs of Fred Barker
5 photographs of John Brock
4 photographs of Volney Davis, St. P. F. D. #25588
5 bust photographs of Alvin Karpis.

7-576-2-101

INVESTIGATION

APR 19 1937 A.M.

U.S. DEPARTMENT OF JUSTICE

ONE

FILL

If it can be done without embarrassing the Bureau in any confidential work that Clayton Hall may be engaged in, it is requested that a discreet effort be made to obtain photographs of him for use in the present harboring investigation being conducted at Hot Springs, Arkansas.

Very truly yours,

CHAPMAN FLETCHER,
Special Agent in Charge.

DPS:spw
7-3

cc - Bureau
Cincinnati
Cleveland

Enclosures (15)

FEDERAL BUREAU OF INVESTIGATION

52063

Form No. 1

THIS CASE ORIGINATED AT Cincinnati, Ohio.

L.R. FILE NO. 742

REPORT MADE AT Little Rock, Arkansas.	DATE WHEN MADE 4/13/37	PERIOD FOR WHICH MADE 3/28 - 4/3/37	REPORT MADE BY John L. Madala cpw
---	----------------------------------	---	--

TITLE GEORGE TIMINBY;
DR. JOSEPH P. MORAN, with aliases - FUGITIVE,
I. O. No. 1232; ET AL;
EDWARD GEORGE BREMER - Victim.

CHARACTER OF CASE KIDNAPING;
HARBORING OF FUGITIVES;
OBSTRUCTION OF JUSTICE;
NATIONAL FIREARMS ACT.

SYNOPSIS OF FACTS:

Conversations of interest overheard on taps on Police, Mayor's and W. S. Jacobs' telephones at Hot Springs for period of March 28 to April 3, 1937, inclusive, set forth. Logs for this period reveal that W. S. Jacobs and his gambling employees were very active in the interest of Mayor McLaughlin in his campaign for re-election as Mayor of Hot Springs. Evidence overheard disclosed that W. S. Jacobs is conducting bookmaking bets at the Southern and Kentucky Clubs in violation of State Law and Governor Bailey's recent ultimatum in regard to gambling. W. S. Jacobs is setting up Lee Brown in slot machine business in county in Texas where Brown has "fixed" the Sheriff and District Attorney so that he could operate these machines without police interference. Mayor McLaughlin held an election meeting at his office on morning of Apr. 3, 1937, which was attended by gamblers, police and city employees.

- P -

NCE:

Report of Special Agent John L. Madala, dated at Little Rock, Ark., April 6, 1937.

to M. J. Tamm 4-22-37 Line.

Special Agent in Charge

COPIES DESTROYED

11 MAR 25 1965

DO NOT WRITE IN THESE SPACES

7-1576-31 102

APR 21 1937

APR 19 A.M.

**ONE 6
ST. SEC.**

U. S. GOVERNMENT PRINTING OFFICE

DETAILS:

As previously reported, the taps on telephones 123, 446 and 648 were temporarily removed on March 25, 1937, after a conversation was overheard which indicated that the Mayor was suspicious of some one tampering with his telephone lines.

A periodic surveillance was thereafter made of the telephone boxes which serve the City Hall, and on March 29, 1937, when it was definitely observed that no apparent check was being made in the outside telephone boxes, these three taps were re-installed by the reporting agent and placed into operation at 2:40 P.M. The Bureau was advised by telegram on the same date of the re-establishment of these taps.

At the present time, all four telephone taps heretofore in operation are being manned by Special Agents R. H. Laughlin, W. T. Morton, H. A. Snow, B. M. Suttler, D. P. Sullivan, and the reporting agent.

The following conversations of interest were taken from the logs submitted for the period of March 28, 1937 to April 3, 1937, inclusive:

The following conversation between W. S. Jacobs and Mayor Leo P. McLaughlin is further evidence of the fact that Jacobs is lending his employees to the Mayor for use in his campaign for re-election on April 6, 1937. This conversation also indicates that Mayor McLaughlin intends to make further efforts after the election to have gambling resumed in Hot Springs, Arkansas:

12:30 P.M., March 28, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Mayor: How are you?
Jacobs: Pretty good.
Mayor: I got a slight cold.
Jacobs: I seen by the papers that you were at the Belvedere for dinner Friday and Saturday night - I said to myself that the Mayor is stepping out.
Mayor: I was there Friday night, but not Saturday.
Jacobs: The papers said you were there last night too.
Mayor: Yeah, I know. I told Tom to get me a bunch of fellows together for tomorrow - I'm going to have to use them.
Jacobs: Jim Farrell is getting them up and Roscoe is helping him.
Mayor: I was talking to Palmer - he thought he would be over today. They said that this fellow Albin (phonetic) called him and wanted him to wait Friday night until he brought that fellow (probably Bailey) over. Palmer said he couldn't wait, as he had to go back to Texarkana that night. He wanted a day or two until

Mayor: (cont'd)

the conference they are working on is over - he thought there was too much fire at that time. After talking around in the last couple of days I'm convinced that he is pleased that we complied with his request. After this meet is over, I'll be in a very good position to talk, because so far we complied with every request they asked. I want to do a big job of it while I'm still Mayor. After the election we can start over again.

Jacobs:

Yeah.

Mayor:

Well, I'll be seeing you.

NOTE: The identity of Albin is not known, but from previous calls it appears that he is Palmer's friend and intermediary to the Governor.

-o-o-o-o-o-o-o-o-o-o-

The following conversation between W. S. Jacobs and Otho Phillips, Manager of the Belvedere Club, is of interest:

7:35 P.M., March 28, 1937

Incoming on No. 2115

B.M.S.

Otho:

How are you feeling?

Jacobs:

Pretty good Otho.

Otho:

Bottom dropped out in a hurry didn't it?

Jacobs:

Yeah, well, you can't expect anything else this time of year. The Grill Room dropped off 300 and you dropped 400.

Otho:

Did you see the Gazette?

Jacobs:

Yeah, they gave you a story about having the Governor and his party out.

Otho:

Front page, eh?

Jacobs:

Well, they've kept us on the front page so much about getting raided or gonna be raided that they'd a felt kinda bad puttin' us on the back page now. (Both laugh)

Otho:

Well, I'll see you tomorrow.

-o-o-o-o-o-o-o-o-o-o-

The following conversations are additional evidence that W. S. Jacobs is having his employees assist Mayor McLaughlin in his mayoralty campaign. The calls also indicate a possible corrupt practice in securing votes for the coming election:

9:36 A.M., March 29, 1937

Outgoing on No. 2115

D.P.S.

To 648 (Mayor's office)

Jacobs:

Hello, do you need any men today?

Mayor:

Has Roscoe still got that list? I was thinking of gradually exhausting that.

Jacobs:

He got 17 in Saturday and will finish it up. Do you want any men?

Mayor:

I could use 4 or 5 men for a few hours. Send them down.

Jacobs:

4 or 5, huh? When do you want them? You know it is kinda hard to find those fellows when you want them.

Mayor:

Sometime. This afternoon.

Jacobs:

Alright.

Mayor:

Alright.

1:34 P.M., March 29, 1937

Outgoing on No. 2115

B.M.S.

Jacobs:

600.

Woman:

Hello.

Jacobs:

Is the Mayor there?

Woman:

Yes.

Mayor:

Hello.

Jacobs:

What time did you need those persons?

Mayor:

Right away.

Jacobs:

There'll be 4 or 5 waiting for you when you get there. (office.)

3:56 P.M., March 29, 1937

Incoming on No. 2115

B.M.S.

Jacobs:

Hello.

Man:

How you feeling?

Jacobs:

Lots better now, how you coming?

Man:

Well I got that floor just about oiled.

Jacobs:

Good. You been 'uh gittin' in any of your out of town votes?

Man:

No, I thought I'd do it the first thing in the morning.

Jacobs:

We've been 'uh doing some work for him (the Mayor) and

I think you better go in to see him.

Man:

I've been s'busy oiling them floors I just ain't had time but I will go first thing tomorrow. When do you think

we can open up?

Jacobs:

Well, I don't know whether Bailey's gonna let us open up or not, he's raising s'much hell about everything. 'Tend to that thing tomorrow. We haven't got our assessments all in but we've been working on the out-of-town votes.

NOTE: Previous calls have indicated that Jacobs' employees are cleaning up the Southern Club while it is closed to business.

6:20 P.M., March 29, 1937

Incoming on No. 2115

D.P.S.

Mayor: I used those fellows as far as I could go today, without creating, you know.

Jacobs: Yeah, I know.

Mayor: Got a week to go, you know.

Jacobs: How many do you have?

Mayor: Altogether about 65, but all aren't in yet. I didn't want to overdo this with the same faces. There's such a thing as overdoing things.

Jacobs: Yeah.

Mayor: I want to get 1700 colors (phonetic) in the book. I opened up headquarters today, two places, one on Whittington and one on the South side. We want to do things right. It'll take about a "G" to do the job.

Jacobs: Yeah.

Mayor: Got two judges and clerks today, but it won't be announced until next week. I want to do it up right and cover the town. I was in the office until 4 o'clock today. I can use those boys some more tomorrow.

Jacobs: You told them to come down tomorrow, didn't you?

Mayor: Yes. They'll be down. I want to see Roscoe tomorrow morning, too.

Jacobs: I saw Hinton. He's been all around the State. He said the "books" up in Little Rock are closed.

Mayor: Yeah. They gave up money to Bailey's campaign. It's talked about all over. Some think it is the racing commission, some think it is somebody else. (Note this statement apparently refers to the closing of the race horse books in Little Rock and Hot Springs.)

Jacobs: The more they talk the better. Some of them blame it on Manning (Grady Manning) because he wanted to put it (gambling) in the Eastman Hotel.

Mayor: (Here mentioned that he thought today was the last day to file in Marion's (Marion Anderson) campaign, and the Mayor stated he had looked it up and had also learned from Little Rock that the first day of April was the last day for filing.)

2:50 P.M., April 1, 1937

Outgoing on No. 648

H.A.S.

McLaughlin:
Man:

Called 1065 (Southern Club) Asked for Otho Phillips.
Call 2485 (Belvedere Club) There's an extension at the house.

2:51 P.M., April 1, 1937

Outgoing on No. 648

H.A.S.

McLaughlin:

Called 1175 (County Clerk)

Ray:

Hello.

McLaughlin:

Did you ever get those things from those orchestra boys in New Orleans?

Ray:

No, not yet.

McLaughlin:

Well, Otis (McGraw) was suppose to have gotten them to mail them in. There's a good bunch of them. Maybe they'll come in this afternoon's mail. Have you gotten it yet?

Ray:

No, it hasn't come yet.

McLaughlin:

Well, if they don't come in this afternoon's mail I guess we'll have to see them "the other way". Call me when the mail comes in if they're in there.

Ray:

All right.

(Probably refers to McLaughlin's "voting" the entire orchestra of Joe Capraro, New Orleans, La., which played at Belvedere Club prior to closing of gambling there.)

3:00 P.M., April 1, 1937

Outgoing on No. 648

H.A.S.

McLaughlin:

Called 2485 (Belvedere Club) Asked for Otho Phillips.

Phillips:

Hello.

McLaughlin:

Have you heard from that orchestra - Joe Capraro - about those registrations?

Phillips:

No. He was supposed to have gotten them in, though.

McLaughlin:

Well, they haven't come in yet. Suppose you call him up and get him to send them right up - by tomorrow.

Phillips:

All right I'll do that. They should have been in.

McLaughlin:

In case they don't get in by tomorrow, do you have a list of all their names?

Phillips:

Yes.

McLaughlin:

How many of them were there?

Phillips:

About 30.

McLaughlin:

All right. Call him up.

4:10 P.M., April 1, 1937

Incoming on No. 2115

B.M.S.

Jacobs:

Hello.

Louise Bloom:

Mr. Jake, Louis, I was up so late and had to get up so early to see Leo that I was tired so I went across the street and took a bath.

Jake: That's all right, that's good for you.
 Louie: Well how you feelin'?.
 Jacobs: Still got the gout but I'm coming along. It's gettin' pretty close to the first so you better see that feller. Course I know we ain't gonna git open but you better see what he'll do then come on up and see me.
 Louie: All right, Mr. Jake, I'll do dat.

11:58 A.M., April 2, 1937 Incoming on No. 648 H.A.S.

Gentry: At Cafeteria - advised Leo that he has about 15 votes of employees at his cafeteria. They hadn't registered. Requested advice how they can vote.
 McLaughlin: Come over here Monday and I'll tell you.

9:05 P.M., April 2, 1937 Incoming on No. 446 W.T.M.

Officer Murry reporting - 3337 (O'Donnel's Liquor Store)
 Tucker called him back and reminded him to be down to City Hall tomorrow morning.

Reference is made to the report of Special Agent John L. Madala, dated at Little Rock, Arkansas, April 6, 1937, wherein on pages 42 and 43 telephone conversations between W. S. Jacobs and Lee Brown of Houston, Texas, are set out, indicating that Brown was propositioned the other day by a Texas State Ranger named Glover that he could "fix" the District Attorney and Sheriff of a county in Texas where slot machines would get a good "play". Brown, at this time, made an appointment to see Jacobs at his home in Hot Springs on Sunday, March 28, 1937.

The following conversations confirm the above indicated meeting, and likewise relate to the matter of establishing slot machines in the particular county mentioned by Brown in reference report. It appears that W. S. Jacobs may have some monetary interest in this venture:

3:11 P.M., March 28, 1937 Incoming on No. 2115 R.H.L.

Lee Brown: Hello Jake, how are you, this is Lee (Brown).
 Jacobs: Not so good. When did you get in?
 Lee Brown: I just got in. Checked up a big wreck near Henderson. Say I'm out to Otis' now and I want to come out to see you sometime.
 Jacobs: Alright, come out anytime this afternoon.

10:32 A.M., March 29, 1937

Outgoing on No. 2115

D.P.S.

Long distance - To Cadillac 5974 (C. B. Wills Co.)

Detroit, Michigan,

Jacobs:

Hello, is Dutch there?

Man:

No. He's not around.

Jacobs:

This is W. S. Jacobs at Hot Springs. I was trying to find out about slot machines. Do you handle them?

Man:

Yes. We handle the Kaley (phonetic) 5¢ machines.

Jacobs:

How much you get for them.

Man:

Just a minute, I'll find out (pause). The Kaley machines - \$63.00 plus tax.

Jacobs:

How much is the tax?

Man:

10% excise. We don't make any profit on the machines. We just handle them.

Jacobs:

If you've got such a thing, mail me some cuts of them.

Man:

Advertising you mean? I'll look around and send you down a batch.

Jacobs:

Tell Dutch that I called and I'll be in the market for 200 machines.

Man:

Yessir.

Jacobs:

Give that message to Mr. (Dutch) Weinberg please, and tell him I'm sick at home in bed, if he wants to talk with me at Hot Springs No. 2115.

1:45 P.M., March 29, 1937

Incoming on No. 2115

B.M.S.

Jacobs:

Hello.

Dutch:

Dutch in Detroit Jake, in regard to those slot machines, we don't handle them ourselves but we can get them for you. A concern by the name of Kaylie carries a good line of 5 cent, 10 cent and 25 cent machines.

Jacobs:

How are they priced?

Dutch:

There are two prices: \$63.50 plus tax - total \$70.00; \$65.00 plus tax - total \$71.50. We don't make any profit on these and I don't know a whole lot about slot machines but I'll have one of the men come by to see you. How many do you need?

Jacobs:

Well there's one of them Texas Ranger fellers in here to see me, he said they'd need about a hundred.

Dutch:

That's a lot of machines. If it's good country they pay good. The fellows up around here that have got 50 of those out take eight to ten thousand a month.

Jacobs:

Well this country is in lower Texas, Hillsboro I think.

Dutch: Well you know Jimmy Robinson had 200 of these at El Paso and he didn't do so well with them and that is better country than further down. Don't make the mistake of putting out too many machines. Whatever they ask for cut it in half.

Jacobs: Well, this Ranger wants 200 machines, but I figured on about 100. He says he can work in some dice along with the machines. I figure I'll put 75 in Aurora and 25 in the county.

Dutch: I'll drop you a letter tonight Jake.

Jacobs: All right.

4:16 P.M., March 30, 1937 Incoming on No. 2115 D.P.S.

Otho: Did a little better last night.

Jacobs: Yes, how much?

Otho: \$92.00

Jake: Well, it's getting a little better every day.

Otho: Things are awful quiet downtown here. There's a letter here for Lee Brown, guess we had better forward it.

Jacobs: Where's it from?

Otho: Kentucky.

Jacobs: Yeah, down near Fulton, huh? Better forward it.

Otho: Where shall we forward it.

Jacobs: Send it to him care of the McAtee Hotel, Houston, Texas. Anybody new around?

Otho: No, we served the same old crowd last night. A lot of them are leaving town.

Jacobs: The cold weather. Nobody come in either, huh?

Otho: No.

10:05 P.M., April 1, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.

Lee Brown: How are you, Jake - this is Lee Brown.

Jacobs: Hello Lee.

Lee Brown: I made my trip up to that county and contacted those people. They're in for two years, but they'll be a cinch for four years. I'm making direct contacts with them, not through any third party. Jake, that county is the best in the State (Texas). It can easily take 250 machines. There are six pretty good sized towns, and a lot of small towns. These small towns are right on the highway between Houston and

Lee Brown:(cont'd) Dallas, and they have places that remain open all night because of the heavy truck traffic through there. It sure looks good to me.

Jacobs: It does.

Lee Brown: I'm contacting these fellows myself, and they're anxious to go. I'm going to the County Seat tomorrow, and I was just wondering what a man can offer them - what is customary?

Jacobs: The usual percentage is 40 -60.

Lee Brown: No, I mean those fellows in the county.

Jacobs: Oh! Anywhere from 20% to 25% after that (40%) comes off.

Lee Brown: I'm going direct to them. They are the right kind of people and anxious to go. They run the county and are a cinch for 4 years. They guaranteed that they will take care of the Mayors in the county and also the rangers. They want to make money. Five or six people tried to get it before, but they turned them down. Jim was a lot of help to me.

Jacobs: Tell them you'll give them 20% of the net, but give them 25% if best.

Lee Brown: We're not to that point yet - we haven't discussed their share. I'm going back tomorrow to settle it off. I told them to give me time for an answer. I wanted to talk to you first. I don't know yet whether they want a percentage or a flat rate per month.

Jacobs: Best to give them a percentage - you can't lose that way. What kind of trade is there mostly.

Lee Brown: There are a lot of cattle farmers in the county and also a lot of railroad terminals. They make a lot and spend it all. Then there's also the "Hot Springs" of Texas there - there are many wells and springs and bath houses, and a lot of people come there to take those baths.

Jacobs: What's the population of the county?

Lee Brown: The voting population is 4500, but there are ten times of that for slot machine play.

Jacobs: Do they do much cotton farming there?

Lee Brown: Yes, it's right in the black belt - there are a lot of wealthy farmers in the county. This place is 120 miles out of Houston on the highway between Dallas and Houston. The machines ought to get a lot of play from these night truck drivers.

Jacobs: You find out what you can do and what they want.

Lee Brown: I told them I'd give them my answer after I came to Hot Springs and talked with you.

Jacobs: Even if you go as high as 25%, it would be all right - but 20% is customary.

Lee Brown: I don't think they expect that much - they don't know what is customary, and I believe they'll accept anything I offer within reason. It's a cinch for 4 years. Mansfield tried to get it, but they turned him down. I got it mainly from recommendations from you and through the people you know.

Jacobs: How's your other business?

Lee Brown: My business in Houston is not so good - my bank handled \$600 today, but I did not make any money.

Jacobs: Business is not so good down here either.

Lee Brown: I drove 400 miles yesterday and looked over the whole county. It sure looks like a good thing. I asked Bill for time to come to Hot Springs and talk with you about it. He said all right.

Jacobs: Well, let me know what you'll do.

10:30 P.M., April 3, 1937 Incoming on No. 2115 D.P.S.
Long Distance from Houston, Texas.

Lee Brown: Hello Jake. I saw that fellow today and everything is fixed. Got the whole county, - gambling and everything.

Jacobs: That's fine.

Brown: There's one town in the county that has a payroll of \$44,000 every month. We closed up today on the book. You remember you said we would get to handle \$1000.00 a day on the book?

Jacobs: Yeah.

Brown: Well, we handled \$1084.00 on the book today. I've got everything fixed up; got the whole county, and no go between - handling it direct. Are you going to be home tomorrow?

Jacobs: Yeah.

Brown: Thought I would stop over and see you tomorrow, but just wanted to know first whether you'd be home.

Jacobs: Yeah, I'll be here.

Brown: Alright. I'll see you tomorrow.

-o-o-o-o-o-o-o-o-o-o-

The following conversation indicates that W. S. Jacobs is interested in the opening of a new gambling place over the Kentucky Club, which place may be managed by Louis Bloom, the present manager of the Kentucky Liquor Store, 316 Central Avenue:

1:36 P.M., March 29, 1937

Incoming on No. 2115

B.M.S.

Louie: What did you decided about that upstairs? They're
gettin' wires up in the White Front.
Jacobs: Well you know how things are, they're putting those
fellows in at Little Rock.
Louie: I don't want to do anything wrong, you're the boss.
Jacobs: Well \$2400.00 is a lot of money to put out for rent when
we don't know when we can open. Does he still want
1/2 the rent?
Louie: Yes, \$1200.00.
Jacobs: Try to get him down to \$900.00. Things are so
uncertain, why over in Little Rock that fellow, I
mean Bailey, is putting some of the fellows in jail
who helped elect him. Beavers, Hardin and the
Levy boys put up \$15,000.00 for his campaign and now
he's gonna send that Levy boy to jail. You know I
was learning those boys the game and they said
Bailey just about demanded this campaign money and
I helped them pay it. So you see how it is. How's
your liquor business?
Louie: Still about 200. I'll talk to him about getting it for
900 and let you know.
Jacobs: All right. Do that.

4:10 P.M., April 1, 1937

Incoming on No. 2115

B.M.S.

Jacobs: Hello.
Louie Bloom: Mr. Jake, Louie. I was up so late and had to get up
so early to see Leo that I was tired so I went
across the street and took a bath.
Jake: That's all right, that's good for you.
Louie: Well how you feelin'?
Jacobs: Still got the gout but I'm coming along. It's gettin'
pretty close to the first so you better see that
feller. Course I know we ain't gonna git open but
you better see what he'll do then come on up and see me.
Louie: All right Mr. Jake, I'll do dat.

8:50 P.M., April 2, 1937

Incoming on No. 2115

D.P.S.

Louey: (This man probably is Louis Bloom) I just talked to
the old man. I offered to pay him \$75.00 opened or
closed. He wouldn't take it.

Jacobs: We'll see whether we will open. That's too much money. Looks like he is trying to hold us up. He gave it to Ryan (Geo. Ryan, recently deceased gambler) for that much. Tell him we'll give it to him if we open, but he'll just have to wait until we can open.

Louey: That's what I think, if he don't want to take what we can give him, let him wait until we can open.

-O-O-O-O-O-O-O-O-O-O-

The following calls are evidence of the fact that the Southern and Kentucky Clubs, both apparently owned by Jacobs, are booking horses in violation of the laws of Arkansas:

6:30 P.M., March 29, 1937

Incoming on No. 2115

D.P.S.

Roscoe: Pretty good day - \$540 won; \$4100.00 markers; \$495.00 cash. Frank and Van gave us some bets today.
Jacobs:3 Get anything from up the way?
Roscoe: No. Didn't get anything from Little Rock.
Jacobs: Didn't you give Frank anything?
Roscoe: I don't think so, maybe a few small ones.
Jacobs: Come by here in the morning.
Roscoe: What time?
Jacobs: He (Mayor McLaughlin) wants to see you about 11 o'clock.
Roscoe: Alright.

6:32 P.M., March 29, 1937

Outgoing on No. 2115

D.P.S.

To 1117 (Kentucky Club)
Jacobs: How was your business today?
Doc: About \$150.00 today. \$80.00 from Little Rock.
Jacobs: Roscoe didn't know that.
Doc: No, probably not. I laid 'em with the other fellow there.
Jacobs: Alright. Was just checking up to see how you were doing.

6:55 P.M., March 30, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Roscoe: We had a little action today.
Jacobs: That's good. How did you make out?
Roscoe: We quit \$260.90 losers -/\$8100 in markers; \$2675 in (didn't catch) and \$951 in cash. Kentucky made some bets and quit \$150.50 loser. Johnnie Lazzeri won \$1900 and Van quit \$123.50 winner.

Jacobs: That's nice business for not to quit anymore loser
 then that.
 Roscoe: Yeah - it might pick up after this meet is over.
 Jacobs: What races were bet on?
 Roscoe: Every bet was for those out here - there are not
 many hanging around, but those that do are betting.
 Jacobs: Yeah, that's good - we don't want to have too many
 together in one place.
 Roscoe: Haven't heard anything, have you?
 Jacobs: No.

8:32 P.M., March 30, 1937

Outgoing on No. 2115

J.L.M.

Jacobs: 1117 (Kentucky Club)
 Man: Kentucky.
 Jacobs: Is Doc there?
 Doc: Hello.
 Jacobs: This is Jacobs - how did you make out today?
 Doc: We won \$81.00 - he handled \$800; \$635 was handled
 over at Little Rock. We let Smithers handle some of it.
 Jacobs: That's good.
 Doc: Will we get the spread as soon as things are fixed up?
 Jacobs: I'm pretty much discouraged - don't know what we'll do.
 I'm afraid that as soon as he finds we are sneaking
 here he'll send the State Police down.
 Doc: Maybe it's not so bad.
 Jacobs: It's almost hopeless - we'll try after the election
 (4/6/37) is over, but I don't think we'll get anywhere.
 Doc: Oh, it might.
 Jacobs: I don't think we got a chance to get the Belvedere
 re-opened under no conditions.

6:45 P.M., March 31, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
 Roscoe: We didn't do so good today - we quit \$1042.75 loser.
 The Kentucky beat us out of \$800.
 Jacobs: They must have lost too.
 Roscoe: Yeah, they did. Frank Costello beat us for \$682.00.
 There was \$6400 in markers and \$864 in cash.
 Jacobs: Mmph - around \$7200 uh?
 Roscoe: Yeah - Van beat us around \$54.00.
 Jacobs: All rightie.

6:52 P.M., March 31, 1937

Outgoing on No. 2115

J.L.M.

Jacobs: 1117 (Kentucky Club)
Man: Kentucky.
Jacobs: Is Doc around?
Doc: Hello.
Jacobs: Had a bad day, didn't you?
Doc: Yeah - I lost approximately \$343.00.
Jacobs: On that business?
Doc: Yes - we beat Roscoe out of \$343.00.
Jacobs: That came out of Little Rock, didn't it?
Doc: Yeah.
Jacobs: Who was over there?
Doc: Joe Hardin was in the office over there today. We were getting the business from him.
Jacobs: All rightie.

6:26 P.M., April 3, 1937

Outgoing on 2115

B.M.S.

Jacobs: 1117 (Kentucky Club)
Doc: Hello.
Jacobs: How's your business?
Doc: We had quite a bit of business across the board, but I think we lose. I haven't figured up the last race yet. I was talking to Baker today, kidding him. I asked him why he didn't bring me in some business from Little Rock and he brought me in eight or nine hundred today.
Jake: That's good. Well I was just laying here in bed thinking about you and decided to call.
Doc: Call anytime, Mr. Jake.

7:37 P.M., April 3, 1937

Incoming on No. 2115

B.M.S.

Jacobs: Hello.
Roscoe: Well we're loser again, 2700. The markers were 10,067 and cash 500 - plenty of business across the board but lost on last six races. Frank C won 1601. Looks like we can't win for losing.
Jacobs: That's too bad. Maybe now that the races are over you can spend more time on your bets. You ought to personally watch every bet that's made across the board.

Roscoe: Well Monday I'll have more time. I was booking
at the races today.
Jacobs: Well I'm glad the races are over, maybe now we'll get
some bets. You watch 'em closer from now on.
Roscoe: All right, I'll see you Jake.

-o-o-o-o-o-o-o-o-o-o-

The following calls disclose the receipt of some gambling
equipment by W. S. Jacobs from the Wills & Company, Detroit, Michigan, to be
used probably at the Southern and Belvedere Clubs when gambling is permitted to
resume in Hot Springs:

7:40 P.M., March 29, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Otie: Otie. We just got that invoice in from Wills. I'll
read it to you:

6 New York style layouts	@ \$75.00 ea	- \$450.00
6 Tables	@ \$75.00 ea	- 450.00
6 Wheels	@ 100.00 ea	- 600.00
6 Ornaments	@ 7.00 ea	- 42.00
6 Spindles	@ 6.00 ea	- 36.00
6 Bowls refinished	@ 25.00 ea	- 150.00
?(Could not catch)		& 57.00
Total bill		\$1,785.00

The letter attached says they are sending these by
freight at once in order to cut down on the expense.
Now some of this stuff we don't need such as
ornaments, we can send those back.

Jacobs: Yeah, we can send back enough to pay the freight.
Otie: I'll put the invoice with the rest of the bills.
Jacobs: All rightie,

4:22 P.M., March 30, 1937 Incoming on No. 2115 D.P.S.

Otho telling Jacobs there is some freight for him at the Freight Depot,
from Detroit, Michigan, and suggesting that Jacobs call the Murray Transfer
Co., and let them take it out to the country. (Club Belvedere)

4:23 P.M., March 30, 1937 Outgoing on No. 2115 D.P.S.
To 82 (Murray Transfer Co.)

Jacobs directing Murray transfer to pick up 12 boxes at Freight Depot and
take them to the Club Belvedere.

5:40 P.M., March 30, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Sam: How are you feeling boss? This is Sam.
Jacobs: Oh pretty good, Sam.
Sam: Those 12 boxes came - where do you want me to put them?
Jacobs: Put them in the back room of the casino, and leave them packed up.
Sam: O.K.

-O-O-O-O-O-O-O-O-O-O-

The following conversations between Mayor Leo P. McLaughlin and Grace Goldstein appear to be of interest:

3:58 P.M., March 29, 1937

Incoming on No. 648

H.L.S.

Woman: Mayor McLaughlin in?
McLaughlin: Hello.
Woman: Mayor, are you busy now?
McLaughlin: Yes, I am now. Who is this?
Woman: This is Miss Goldstein (Grace) over at the Hatterie Hotel.
McLaughlin: Yes, what is it?
Grace: I wanted you to do me a favor and write a letter for me. I went over to see Bailey (Governor) and he was out of town. I want one of you fellows to write it for me.
McLaughlin: Well, I'm busy this afternoon. Suppose you come down in the morning.
Grace: All rightie. Thanks, I'll be down.

It might be stated that Special Agent B. M. Suttler maintained a surveillance of the City Hall all morning of March 30, 1937, but he observed no one answering the description of Grace Goldstein enter this building during this period. She made the following call the next day:

10:04 A.M., March 31, 1937

Incoming on No. 648

J.L.M.

Mayor: Hello.
Grace: This is Miss Goldstein. I was supposed to see you yesterday - remember I called you a couple of days ago.
Mayor: Yeah, what was it?
Grace: I want to send some money on a bill, and I wanted some one to fix up a letter for me.
Mayor: I have 20 people in my office waiting to see me this morning. Call Mr. Clyde Brown at 646 - he's a good man for that.
Grace: All right, thank you.

-O-O-O-O-O-O-O-O-O-O-

The following calls reveal the relationship between Herbert "Dutch" Akers and D. B. Murray, a professional bondsman in Hot Springs, Arkansas:

5:02 P.M., March 29, 1937 Incoming on No. 123 W.T.M.

Operator reported that long distance call to Mr. Newton at Little Rock was ready. Man calling advised Newton that the 19 year old boy in jail at Hot Springs named LeRoy Hamilton, claimed that he had given the money to the boy now under arrest in Little Rock named Willie Jones to pay some bills. (NOTE: The conversation indicated this to be a counterfeit money case). Newton ordered party calling to "file" on the prisoner at Hot Springs before the U. S. Commissioner charging "possession and passing." Party calling advised Newton that Akers wanted to be present at the hearing in Little Rock. Party calling also advised he was working on two \$20 bills (counterfeit) which turned up at the race track.

9:35 P.M., March 29, 1937 Outgoing on No. 123 H.A.S.

Akers: Called "Ben" (D.B.) Murray (professional bondsman) - instructed him to see him in morning; that he thought he would have a bond before U. S. Commissioner for him to sign.

1:05 P.M., March 30, 1937 Outgoing on No. 446 W.T.M.

3675 (D. B. Murray)
Tucker told "Ben" to call "Babe" Huff (U. S. Commissioner).

1:19 P.M., March 30, 1937 Outgoing on No. 123 W.T.M.

3675 (D. B. Murry)
Akers told "Ben" that "them people" are going to be at "Babe" Huff's office at 1:30 and he had better go on up there.

8:15 P.M., April 2, 1937 Incoming on No. 446 H.A.S.

Woman: Is Mr. Akers there?
Akers: Hello.
Ben Murry: (Taking phone) Dutch if those boys get up half of that they can get out.
Akers: Too late.

(D. B. Murry is a bondsman)

-O-O-O-O-O-O-O-O-O-O-O-O-

4:02 P.M., March 30, 1937

Outgoing on No. 2115

D.P.S.

Jacobs called Louis Tarlowksi, Attorney at law, Rector Building, telephone 4-7251, Little Rock.

Jacobs: Hello Louis. Want to beg a little information off you. What are they trying to do to our friend Levy?

Tarlowksi: I don't know of anything.

Jacobs: Read in the papers about his case coming up.

Tarlowksi: That's an old case. He was arrested some time ago out here on the road at the Aurora Club, with George Helmbeck. They got him for operating a gaming table.

Jacobs: I thought they had just got him. I tried to get him on the phone, but it is disconnected.

Tarlowksi: They cut off all those phones.

Jacobs: Isn't that class legislature?

Tarlowksi: Don't know about that, he's in an illegal enterprise.

Jacobs: Yes, but he may be in a legal business.

Tarlowksi: Never thought of that. It's funny but I just got a call from New York from Earl Wiseman and he was asking about you.

Jacobs: That's fine.

Tarlowksi: What are they going to do, close you up?

Jacobs: It looks like it.

Tarlowksi: It looks to me like he (Governor Bailey) wants somebody to come over and beg him on their knees.

Jacobs: Maybe you're right.

Tarlowksi: In the next legislature, I believe he is going to repeal the liquor and racing laws.

Jacobs: I wouldn't be surprised.

Tarlowksi: In the next election, Cook will run against him. He'll give him (Bailey) a good race.

Jacobs: That would be better. I remember when we thought Futrell (Ex-Governor) was bad, but he turned out to be the best man we ever had.

Tarlowksi: How is Wiseman?

Jacobs: He said he's got the best job he ever had. He's coming down in the fall. He'll be back here in politics before long.

Tarlowksi: How about the Judge? (U. S. District Judge)

Jacobs: Ham Moses looks like the man. He wants it too. We don't want that fellow from Forrest City.

Tarlowksi: How about Trimbell? He's a Robinson man and used to practice law with Robinson.

Jacobs: Maybe, however Moses looks like the man. I talked to him the other day and asked him about whether he wanted it and I was surprised when he didn't deny it.

Tarlowksi: The story is going around here that Hamilton Moses is going to get it.

Jacobs: I wouldn't be surprised.

Jacobs:

I was just here thinking about that class legislature (legislation). There were two cases recently on that, one in the Supreme Court of Texas and one in the U. S. Court in New York.

Tarlowski:

I'll look them up and let you know.

Jacobs:

I thought maybe some of the boys over there might need some help.

Tarlowski:

No. Donham is a good friend of Helmbeck and he was forced to it. He went out and got Levy and Levy raised so much noise, Donham had to get Helmbeck too.

Jacobs:

Yeah, Levy is a good boy. We kind of showed him the ropes on the horses. He's made money too.

Tarlowski:

I may get over there this week. If I do I'll stop by and see you.

Jacobs:

All right, Louis.

-o-o-o-o-o-o-o-o-o-o-

The following calls reveal the type of people that Mayor McLaughlin called to his office for a meeting on Saturday morning, April 3, 1937, in connection with the coming city election:

10:31 A.M., March 30, 1937

Outgoing on No. 648

H.A.S.

Hazel:

Called 116 (Miller's) Asked for Herb Wheatley.

Clerk:

Call him at 800.

10:32 A.M., March 30, 1937

Outgoing on No. 648

H.A.S.

Hazel:

Called 800 (Unlisted - Miller's)

Wheatley:

Hello.

Hazel:

Herb, that meeting has been changed to 10:00 A.M., Saturday.

Wheatley:

O.K.

10:33 A.M., March 30, 1937

Incoming on No. 648

H.A.S.

Anderson: (Sheriff)

You want me?

Hazel:

Yes. If you see John Condon there, tell him I've got that book here for him - he'll know what I mean.

Anderson:

O.K.

10:15 A.M., March 31, 1937

Incoming on No. 648

J.L.M.

Mayor: Hello.
Man: You want to speak to me?
Mayor: I want to get all the boys around here Saturday morning for a meeting - Oh yes, I know what it was now.
Man: What?
Mayor: I want you for a Judge Tuesday morning. We're going to have a meeting around here Saturday morning at 10:00 - be here.
Man: All rightie.

11:07 A.M., March 31, 1937

Outgoing on No. 648

H.A.S.

Man: Called 429 (listed - Mrs. R. G. Bennie)
Mrs. Bennie: Hello.
Man: Mrs. Bennie, this is Elmer Walters. Does George Tackman (phonetic) stay there?
Mrs. Bennie: Yes, but he's out now.
Walters: Tell him that the Mayor wants him in his office Saturday morning at ten o'clock.

10:26 A.M., April 2, 1937

Outgoing on No. 123

W.T.M.

Fowler calls Mayor saying Rasberry has just stepped out.
Mayor: Well, get hold of Tramball at the Fire Department. I want all the firemen - both shifts - both shifts of the Police and Street Department in my office tomorrow morning.

-O-O-C-C-O-O-O-O-C-O-

The following conversations between Hazel ~~Marsh~~, the Mayor's secretary, and her mother are of interest:

11:25 A.M., March 30, 1937

Outgoing on No. 648

H.A.S.

Hazel: Called 2250 (R. O. Carpenter)
Spoke to her mother - informed her that a colored minister had made a speech before the colored minister's association last night and "gave Leo Hell" - stating that "a vote for Leo was a vote for vice" and that even Leo's secretary's "mother and father-in-law were openly supporting Elmer Tackett for Mayor."
Woman: Advised that she would personally "get him told."
Hazel: Gave the preacher's name as being Cladda Jones.

8:35 A.M., March 31, 1937

Outgoing on No. 648

H.A.S.

Hazel: Called her mother at 2250 (listed - R. O. Carpenter, 1121 W. Grand Ave.) Inquired if her mother had "gotten that preacher told."
Woman: Informed that she had called the preacher but that he had denied making the statement as to how Hazel's mother was going to vote.
Hazel: Stated that her mother didn't make it strong enough, but that "she would put him in his place." Also said that "she knew something on him at Houston, Texas", as "our Sheriff's brother is Sheriff down there" and had told them of the "mess which the preacher had stirred up there."

-O-O-O-O-O-O-O-O-O-O-O-

The following conversation is of interest; the identities of Johnny White and Chamblis are not known:

11:29 A.M., March 30, 1937

Incoming on No. 446

W.T.M.

Johnny White called Akers that his, White's ex-partner, Chamblis, is in town and wants to attend the races. White assured Akers that if Chamblis were allowed to attend he would "do nothing & lay no horses or nothing" and didn't want to be humiliated by being thrown off the track. Akers told him to contact Condon or Bill Hamilton, as he had nothing to do with that.

-O-O-O-O-O-O-O-O-O-O-O-

The following conversations show the relationship between W. S. Jacobs and Johnny Hoskins, who was arrested by the U. S. Narcotic Agents for peddling narcotics:

2:25 P.M., April 1, 1937

Incoming on No. 2115

J.L.M.

Johnny Hoskins called Mr. Jacobs and talked with him at length about renting two rooms upstairs from the Eckler Studio in the McLaughlin Building for living quarters - said that Mr. Eckler wanted \$15.00 a month for this space, but he didn't want to rent it out as living quarters. Johnny asked Mr. Jacobs to call Eckler at #46 and tell him that he (Johnny) is OK, and that he will guarantee that the rent will be paid. Johnny said that he will get \$500 from the estate of his brother, Jimmie, who died recently, by June 1st. He said that he wants to get back on his feet. Jacobs told him he would call Ekler in his behalf.

2:43 P.M., April 1, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Johnny Hoskins: I'd like to call you at 4:30 again to see what he has to say. I've got some other irons in the fire, and if he doesn't act favorably, I'll look around for something else.
Jacobs: He may not be in.
Johnny Hoskins: Yes, he's there all the time.
Jacobs: All rightie.

2:45 P.M., April 1, 1937

Outgoing on No. 2115

J.L.M.

Jacobs: 46 (Ekler Studio.)
Ekler: Hello.
Jacobs: This is W. S. Jacobs - Johnny Hoskins wanted me to call you about renting some rooms to him.
Ekler: Yeah, I know. He said he wants to live up there, and I don't want anybody to live there - I want to rent it as office space.
Jacobs: He said the rent will be \$15.00 a week.
Ekler: We haven't discussed the rent, but that's what it would be if I rented it to him.
Jacobs: If it's only \$15.00, I'll take care of it for the first six months.
Ekler: That would be fine - but I don't want to rent Mr. Hoskins that space for rooms. I don't want anybody to live up there.
Jacobs: All rightie then.

10:15 A.M., April 2, 1937

Incoming on No. 2115

J.L.M.

Jacobs: Hello.
Johnny: This is Johnny (Hoskins) - I'm at Babe Huff's office. I was arrested this morning for selling narcotics. I need \$1000 bond. Will you sign it for me, so I can get out of this?
Jacobs: What were you arrested for?
Johnny: Selling narcotics - some of these dope addicts are trying to frame me. They asked me yesterday to sell them some, but I don't handle the stuff.
Jacobs: What police officer arrested you?
Johnny: McBurnett - he's a Deputy U. S. Marshal - will you go my bond?

Jacobs: Yeah, tell them to bring it up to my house and I'll sign it.
Johnny: All right, Floyd Huff and I'll come up. This is just the preliminary hearing.

11:47 A.M., April 2, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Johnny Hoskins: Johnny, Mr. Jake. Please call Charlie Goslee and tell him not to put anything in the paper about this. (his arrest on narcotic charge) God Almighty that would be terrible. Try to keep it out of the Gazette too. I know you'll do all you can for me.
Jacobs: All right.

-O-O-O-O-O-O-O-O-O-O-O-

The following conversation is self-explanatory, and of interest:

1:36 P.M., March 31, 1937 Incoming on No. 123 W.T.M.

Mrs. Wilcox: This is Mrs. Wilcox again - come and git Eugene, he is out here on the rampage again.
Tucker: Well, they ain't nobody here.
Mrs. Wilcox: Well I talked to Mayor McLaughlin today and he said if Eugene gave any more trouble for you guys to come git him. You know it's too near election time for any scandal to get out.
Tucker: Well I ain't got nobody to send out there and get him.
Mrs. Wilcox: Well, I'm telling you I talked to the Mayor this morning and he said he would give us some service.
Tucker: I tell you there's nobody here to send out there. I am here alone and I can't leave. Why don't you call the sheriff's office - it's out of the city anyway.
Mrs. Wilcox: You know Marion Anderson ain't going to have Eugene arrested. You better send out here quick - find somebody - he's out here with a shot gun.
Tucker: Well, I dunno -
Mrs. Wilcox: What's the sheriff's number?
Tucker: 613.

-O-O-O-O-O-O-O-O-O-O-O-

The following calls are apparently related and probably have some reference to the matter of vote-getting in the coming Mayoralty election. Matt Picchi is owner of the White Front Cigar Store, which was formerly owned by Dick Galatas:

10:45 A.M., March 31, 1937 Outgoing on No. 648 J.L.M.

Geo. McLaughlin: 682 (White Front)
 Marshall: Hello.
 George: Is Matt Picchi around there?
 Marshall: No, he isn't.
 Geo. McLaughlin: This is George - tell him I thought he was coming over here this morning.
 Marshall: All right, I'll tell him.

11:00 A.M., March 31, 1937 Incoming on No. 648 H.A.S.

Man: Is that "handicapper" in the office - Mr. George?
 Hazel: Yes.
 George: Hello.
 Man: I'm going to wait until three or four (P.M.?) - don't you think that will be best?
 George: Yes, I do.
 Man: OK. I've already got one.
 George: Good.

-O-O-O-O-O-O-O-O-O-O-

The Empire Rooms mentioned in the telephone conversation below, is a house of prostitution reportedly owned by Mayor McLaughlin:

2:30 A.M., April 1, 1937 Incoming on No. 446 R.H.L.

Send an officer to the Empire Rooms on Malvern to stop a fight.

-O-O-O-O-O-O-O-O-O-O-

The following conversation between former Night Captain of Police Bob Moore, and his sister, Helen Trammel, is of interest:

9:25 A.M., April 1, 1937 Outgoing on No. 446 W.T.M.
 1965 (Helen Trammel, 609 1/2 Central)

Man called up woman inquiring about her health. During the general conversation she stated that her house was empty (probably boarding house) and she was distressed. The man said everyone was complaining of the

same condition due to the "lid" being on. The man stated: "I'm down here at the police station. I think I'll get back on soon." The woman said: "I hope so - so you can help me some?"

-O-O-O-O-O-O-O-O-

The following conversation between "Dutch" Akers and a man identified as "Doc" appears somewhat irregular:

7:15 P.M., April 1, 1937

Incoming on No. 123

R.H.L.

Man: This is the Doctor. I have recovered several of these tires that I lost.
Dutch: Good.
Doctor: Did you see our friend today.
Dutch: He was out there. Drive down in front of the post office and I will come out there.
Doctor: Alright.

-O-O-O-O-O-O-O-O-

The address mentioned below may be a house of prostitution:

4:10 P.M., April 1, 1937

Incoming on No. 123

H.A.S.

Joe Houston: Requested pickup of woman at 10 Exchange St. for fighting.
Fowler: Where's the "landlady"?
Woman: Hello.
Fowler: Do you want Ann picked up? She was in jail the other day.
Woman: Yes, come get her.

-O-O-O-O-O-O-O-O-

The following call between County Judge Elza Housley and Mayor McLaughlin is of interest, as is the call between "Dutch" Akers and Elizabeth McLaughlin, sister of the Mayor. They both pertain to the campaign activities of Elmer Tackett, who is the Mayor's opponent in the coming city election:

10:02 A.M., April 2, 1937

Incoming on No. 648

H.A.S.

Elza Housley: Leo, that fellow Tackett is going to have a speaking up here by the Court House tonight. I couldn't keep him from having it here but I don't think it'll amount to much. Anyway, I'm not going to furnish lights for them. They'll have to get their own lights.
McLaughlin: Yes. That's right. I don't think it'll amount to anything tonight anyhow.

Housley:

No. Well I'm planning to take off all Tuesday afternoon to help you in every way I can Leo. Everybody I've talked to thinks it's just a joke, but what we want to do is to get out as big a vote as possible. I'm letting off all the county employees to go vote. Anything else you want me to do?

McLaughlin:

No. Just do for me what you'd do if you were running. get out as big a vote as we can. Thanks.
(Further discussion of an application of Mrs. Bertha Gordon, Plateau Street, for position in the County's Social Welfare Department.)

12:55 P.M., April 2, 1937

Outgoing on No. 123

W.T.M.

To 600.

Akers:

Miss Elizabeth is the Mayor there?

Elizabeth:

No, he is out riding.

Akers:

Well tell him that I see Arthur Jefferson and Max the barber's son driving a car with a loud speaker announcing the speaking this afternoon. (Note: Candidate Elmer Tackett spoke in connection with election for Mayor.)

Elizabeth:

Who did you say it was?

Akers:

Arthur Jefferson - he's sitting hid back in the car doing the talking.

Elizabeth:

Who did you say was driving?

Akers:

Max the barber's son-in-law, I think his name is Singleton - naw it's Pennington. He's the one we kept from getting that job in the Revenue Department. You tell Leo when he gets back - he might want to put a stop to it.

-O-O-O-O-O-O-O-O-O-

The following calls are believed to be related and are of interest. The identity of Jack, mentioned in the last two conversations, is unknown:

9:15 A.M., April 2, 1937

Incoming on No. 123

W.T.M.

Condon called Akers who asked Condon if he had had "3 ringer tickets" run in on him for the daily double. He stated he has Pete Barrow and two other unlicensed jockeys there under arrest with about \$67.00 a piece on them which they claim is winnings of the daily double. Akers suspects them of "flim-flamming" an old man at Goddard Hotel out of \$8.00 and also has information that they "burned" a lady for \$1400 in Houston, Texas. Condon had no information about this.

1:37 P.M., April 2, 1937

Incoming on No. 123

J.L.M.

Jack: Is Dutch around?
Fowler: No. He's at the race track.
Jack: You've got two friends of mine in jail for investigation - one is from Kentucky and the other is from Detroit. I'd like to have them out - they're both friends of mine.
Fowler: You'll have to see Dutch.
Jack: Is the Chief around?
Fowler: He's at the track too.
Jack: I want those boys out now - one of them is working at the track. He's liable to lose his job. What shall I do.
Fowler: You'll have to see Dutch.
Jack: I'll come down and sign their bond - I don't want this fellow to lose his job.
Fowler: Well, you'll have to see Dutch.
Jack: Can I call him at the track?
Fowler: I don't know.
Jack: All right, thanks.

6:38 P.M., April 2, 1937

Incoming on No. 446

H.A.S.

Man: Asked Jerry Watkins if Dutch was there.
Akers: Hello.
Man: Dutch this is Jack. Did those boys get picked up?
Akers: Yes. They're in. That money disappeared didn't it?
Jack: Well, they're good boys, though, Dutch. They come from my home town - Covington, Ky. Can't you let them out?
Akers: I can't let them out now. They're booked. They might get out at their trial. I know they can't be straight if you're talking for them - you'd pick up anything wouldn't you?
Jack: Anything I could get my hands on (laughs). I don't think you're so "right" yourself. Another thing - you put me on the spot by your "touting" horses. I was talking to a girl out there who bet on a horse that came in next to last - asked her where she got her tip - she said "Mr. Akers."
(Here the connection was broken by operator - Akers said he didn't know the number to which he was talking.)

-O-O-O-O-O-O-O-O-O-O-O-O-

The following conversation is of interest, and it indicates that Norman Ballard may operate a gambling place in French Lick, Indiana, a resort town:

2:25 P.M., April 3, 1937

Outgoing on No. 2115

B.M.S.

Jacobs called Norman Ballard, Brown Hotel, French Lick, Indiana.
 Ballard; Hello.
 Jacobs: Mr. Ballard this is W. S. Jacobs at Hot Springs. Skippy is trying to get a job with you. I'll recommend him. He's a good fellow and can handle what you've got, he hasn't got much education or manners, but is a good fellow.
 Ballard: Yes I noticed that he lacked both.
 Jacobs: He used to work for us and also worked in the gorge (phonetic) for about two years.
 Ballard: That did not help him any.
 Jacobs: You think that was bad for him, eh?
 Ballard: Very much so. Well, much obliged to you for calling.

-O-O-O-O-O-O-O-O-O-

The following conversation between W. S. Jacobs and "Swede" Watkins, Day Captain of Police, reveals the close relationship between the Hot Springs Police and Mayor's office with W. S. Jacobs' friends (probably gamblers):

Watkins: Called 2115 (W. S. Jacobs)
 Jacobs: Hello.
 Watkins: This is Swede. How are you feeling Mr. Jake?
 Jacobs: Some better, thank you.
 Watkins: I got all those pictures back today on those people. I'm going to get Frank to look at them up at the Southern.
 Jacobs: All right. He's upstairs at the Southern.
 Watkins: I was out at the track this afternoon. They had a little trouble out there. They put off two of your friends - Mr. Bierman and Mr. Priestly (phonetic). I had to go to see Leo to get them put back in the track.
 Jacobs: Well, there's nothing the matter with them - they're good men and wouldn't be taking bets. They are the ones who brought over that special train from Memphis today. Who had them put off?
 Watkins: Condon pulled them off. He treated them just like negro tramps. He got sore because Otis McGraw and I went to Leo (McLaughlin) and got them back in the track.

6:16 P.M., April 3, 1937

Incoming on No. 2115

B.M.S.

Otho: Mr. Jacobs, how you feeling?
Jake: Pretty good Otho.
Otho: Another beautiful day out there, I went out to the track today, must have been twelve to fifteen thousand people there.
Jacobs: They put Bob Priestly and Berriman off the track.
Otho: What? Why that guy Condon is just a natural born copper.
Jake: Yeah. He said they were booking, but they got back though.
Otho: We ought to have a fine crowd tonight. We didn't do bad last night, 192. I thought that was pretty good.
Jacobs: That was fine.
Otho: We've got good food now, the only bad feature is the music and that's rotten.
Jacobs: Yeah, you'll have to tough it out though.
Otho: Well I'll drop up to see you tomorrow, Mr. Jacobs.

It might be stated that John Condon, mentioned above, is Captain of the Guards at the Oaklawn Race Track, Hot Springs.

-O-O-O-O-O-O-O-O-O-

The following conversation between W. S. Jacobs and Tink Young, manager of the Ohio Club, is of interest:

9:45 P.M., April 3, 1937

Outgoing on No. 2115

D.P.S.

To 210 (Ohio Cigar Store)
Jacobs: Is Mr. Young there?
Tink Young: (To phone) Hello.
Jacobs: Did you hear anybody say how many they (Tackett) had out at the political meeting.
Young: It was very light, Bob Moore said.
Jacobs: How many, 50 or 75?
Young: I don't know. He didn't say exactly, but there weren't many there.
Jacobs: Uh huh.
Young: How you feeling?
Jacobs: A little better. The meeting (probably of Mayor McLaughlin tonight is over. A lot of people there - a lot of people I figured up the store business for the month with that of March last year and you know how much we run behind each day?
Jacobs: \$30.00?
Young: No. \$45.00 a day.
Jacobs: We ran ahead of last year at the Southern.

Young: I can't figure it. It seemed there were a lot of people here and they all had a little money, but they weren't so many who had a lot of money.

Jacobs: No. There weren't so many with a lot of money.

Young: How long do you figure you'll keep the dining room open?

Jacobs: All week.

Young: You remember Roy Williams from Amarillo, Texas who was here in 1927 or 1928?

Jacobs: Yeah. He's a good man and he's got a lot of money.

Young: I was thinking of getting around this week and party with him a bit and get him out to the place. (Belvedere?)

Jacobs: Alrightie.

Young: I just wanted to know if it would be alright with you.

Jacobs: Alrightie.

-o-o-o-o-o-o-o-o-o-o-

The following conversations between Mayor McLaughlin and a man named Arch, last name not known, are of interest:

11:12 A.M., April 3, 1937 Incoming on No. 648 H.A.S.

"Arch": Leo, I'm short of money, and will need some for change out there this afternoon. Can you give me a check for \$200.00, and I'll have it back on Monday.

McLaughlin: I can't do that. They got an injunction against my bank account on that divorce case, and I can't touch it. Suppose you see Mr. Higgins at the bank and make out a note for that until Monday. I'll sign it.

11:32 A.M., April 3, 1937 Incoming on No. 648 H.A.S.

"Arch": Will you step out the back door into the lobby of the Auditorium (Theatre) in a minute. Want to see you.

McLaughlin: All right.

-o-o-o-o-o-o-o-o-o-o-

The following call by Mayor McLaughlin to his secretary, Hazel Marsh, emanated from the telephone of W. S. Jacobs:

9:32 P.M., April 2, 1937 Outgoing on No. 2115 D.P.S.

Mayor McLaughlin talking to Hazel Marsh, asked her if she thought he had gotten lost, that he had been unable to get to a telephone. The

Mayor talked of just leaving a meeting, apparently sponsored by his political opponent Tackett, who is a candidate for Mayor; that when they left he believed that some "of those fellows" pulled out behind them as though they intended to follow the Mayor, that Jerry (probably Jerry Watkins, Police Captain) and Jimmie went after them. The Mayor mentioned he then stopped off at a place downtown. Hazel asked where he was calling from and the Mayor said "Jake's". Further conversation in whispers by both the Mayor and Hazel Marsh about the Mayor not feeling well. Hazel talked about some man, with whom she has had an argument; probably meaning Gibson Witt, she stating she would tell him she would tell him she would not see him again. In a very low whisper the Mayor here said he had something to tell her tomorrow at the office, it sounding somewhat mushy. They hung up after Hazel warned him to be sure to take his medicine.

-O-O-O-O-O-O-O-O-O-

The following conversation is between the Police Department and Bob Moore, former police officer, and presently under indictment for second degree murder:

1:20 A.M., April 3, 1937

Incoming on No. 123

R.H.L.

Man:

This is Bob (Moore). Have one of the boys come up to the Southern Club. I have to leave my car, and I want someone to drive it home.

Corrington:

OK, I'll send someone right up.

-O-O-O-O-O-O-O-O-O-

The following conversation between Chief of Police Rasberry and Mayor McLaughlin is of great interest:

7:46 P.M., April 3, 1937

Outgoing on No. 446

W.T.M.

600 (Mayor McLaughlin's residence)

Rasberry:

Hello, Mayor, this is Rasberry.

Mayor:

Yes.

Rasberry:

That fellow we got here Sancher or Sanching (Chief did not definitely know the name) -

Mayor:

Yes, I know - he's from Little Rock.

Rasberry:

Well, what you want to do - turn that back?

Mayor:

Yes - better let that go - he's pretty well connected.

-O-O-O-O-O-O-O-O-O-

P-E-N-D-I-N-G

LMC:MC

52068

April 17, 1937.

~~PERSONAL AND CONFIDENTIAL~~

7-576 -3-91

Mr. Gus T. Jones,
Federal Bureau of Investigation,
U. S. Department of Justice,
1216 Smith-Young Tower Building,
San Antonio, Texas.

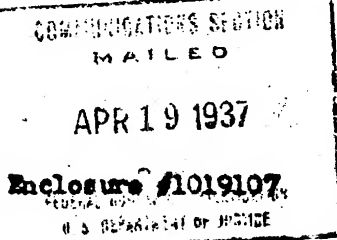
Re: GEORGE TIMINEX;
Dr. Joseph P. Moran, with aliases -
FUGITIVE, I. O. 1232, et al;
Edward George Bremer - Victim;
Kidnaping; Harboring of Fugitives;
Obstruction of Justice; National
Firearms Act.

Dear Sir:

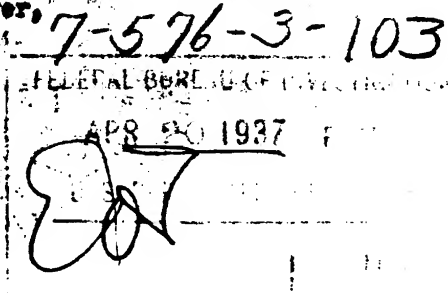
For your general information and possible future reference in connection with your contacts at Houston, Texas, I am enclosing herewith the substance of telephone conversations had between Lee Brown, of Houston, Texas, who is apparently a gambler, and W. S. Jacobs, who controls the gambling activities at Hot Springs, Arkansas, indicating that apparently gambling is carried on in Texas with the knowledge of one Glover, who it is indicated is a Texas Ranger.

Very truly yours,

John Edgar Hoover,
Director.



RECORDED
&
INDEXED



April 21, 1937

JEL:DC

Special Agent in Charge,
Oklahoma City, Oklahoma.

Dear Sir:

The Bureau desires that you make a search of your index file concerning Joe Stone, Clarence Stone, Clem Holman, Pete Traxler, Paul Ervin, and W. L. (Bullet) Abby, and ascertain if the pertinent serials in the cases concerning these individuals are in the possession of the Little Rock Field Division.

Reference is made particularly to the case entitled JOE ELMER STONE, with aliases, ET AL - NATIONAL MOTOR VEHICLE THEFT ACT, Oklahoma City Field Division File No. 26-5216, Bureau File No. 26-29906, which file sets out interviews with Joe Stone in which he gives a considerable amount of information concerning the activities of the Police Department at Hot Springs, Arkansas. It will be noted, of course, that the Statute of Limitations has run in these cases; however, the Bureau desires that this information be forwarded to the Little Rock Field Division as of possible assistance in establishing the association and activities of certain members of the Police Department at Hot Springs, Arkansas, with these individuals.

Very truly yours,

John Edgar Hoover,
Director.

cc-Little Rock

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&
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7-576-3-104	
FEDERAL BUREAU OF INVESTIGATION	
APR 23 1937 A.M.	
U. S. DEPARTMENT OF JUSTICE	
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